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Declassified E.O. 12356 Section 3.3/NND No.

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MINUTES,
MAY - OCT

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MINUTES, ADVISORY COUNCIL FOR ITALY
MAY - OCT. 1946

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Ex Comm. 1 D

297
DCLA to REC
MC

At p's 29-39 are the minutes of the last meeting of the A.C.I. p's 29-34 deal with the question of the restitution of ships & property. I will let DCLA see this after you have seen, but I do not think it contains much that we do not know as a result of G-5 letter.
H.L. 29/7

Ex. Com

41.

Seen & noted. There is nothing to add as far as Legol is concerned. Gen. McCreath's & DCLA's opinions concern a matter we considered in our reply to Mr. Smollett.

Legol SIC

20 June 46

S. J. Thompson

Seen by E.C. H.L. 30/7

DCIN

46.

Ex Comm.

p's 43-45 for info. You saw an advance draft of these minutes. C.C. has a copy.

H.L. 25/11

W.D.
25/11

785017

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HL 29/7

Ex. Com ⁴¹ Seen & noted. There is nothing to add as far as Legor is concerned. Gen. Meherdiz & DCLA's opinion concern a mail we enclosed in our reply to D. Enallatha.

Legor SIC
30 June 66

Seen by E.C. HL 30/7

S. S. Hammett
DCLA

Ex Comm. ⁴⁶

143-45 for info. You saw an advance draft of these minutes.

P.C. has a copy. HL 25/11

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JFK

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MINUTES OF THE 58th MEETING
OF THE ADVISORY COUNCIL FOR ITALY

The meeting was held at Via XX Settembre 84 on October 25, 1946 under the chairmanship of Mr. John G. Ward, the United Kingdom Acting Representative on the Council. Present at the meeting were:

Mr. John G. Ward	United Kingdom
Mr. H.A.A. Hankey	
M. Georges Balay	France
M. Pierre Sebillieu	
M. Constantin Vatikioty	Greece
M. Alexandre C. Argyropoulos	
Colonel V.V. Savko	Soviet Union
Lt. N.M. Geegalin	
Mr. John L. Goshie	United States
Dr. Sloven J. Smolaka	
M. Ćedomil Veljačić	Yugoslavia

The agenda for the meeting included the following items:

- 1.) Discussion of Italian Political Events.
(The Chief Commissioner of the Allied Commission will be invited to attend).
- 2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".
- 4.) "Extradition to the Yugoslav Government of Italian War Criminals listed by the United Nations War Crimes Commission on Request of Yugoslavia".
- 5.) Miscellaneous.
- 6.) Press Communiqué.

The Chairman, Mr. Ward, opened the meeting and stated that Sir Noel Charles regretted not to be able to attend this meeting and explained that Sir Noel was away on leave. Mr. Ward noted that he considered it an honor to be associated with the Advisory Council and hoped the Council would be indulgent with him since he had just

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M. Balay, on behalf of the Council, expressed a welcome to Mr. Ward.

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Dist: C.C.
E.C.

C.S.O.

- 2 -

1. Discussion of Italian Political Events.

The Chairman noted that the Council had the pleasure of having Admiral Stone attend the meeting and inquired whether any Representative wished to ask the Admiral any questions relating to Italian political events.

Dr. Smodlaka, with reference to an item published in the October 19, 1946 issue of the "Allied Commission Weekly Bulletin", inquired whether there was any significance attached to the redesignation of the "Allied Military Government, XIII Corps", as "Allied Military Government, Venezia Giulia".

Admiral Stone replied that the change was merely one of nomenclature and that no significance was attached to it.

Dr. Smodlaka stated that he had received a copy of AC Administrative Instruction No. 16 and inquired whether there was any significance attached to the redesignation of the "Displaced Persons and Repatriated Persons Subcommittee" as the "Displaced Persons Division of the Allied Commission".

Admiral Stone replied that the change in designation was due solely to administrative regroupings of the Allied Commission.

Colonel Savko also referred to the October 19, 1946 issue of the "Allied Commission Weekly Bulletin" and inquired whether any progress was made in the formation of the new Italian Constitution.

Admiral Stone replied that since February 1945, as the Representatives knew, the Allied Commission has had no political control over the Italian Government, and stated that the Allied Commission was without data other than those published in the AC bulletins. He added that he felt, however, that the Italian authorities were making progress along democratic lines.

The Chairman, after ascertaining that none of the Representatives had any further questions to ask expressed, on behalf of the Council, appreciation to Admiral Stone for attending the meeting.

2. "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".

The Chairman inquired whether any of the Representatives had received additional instructions and, after ascertaining that none had, suggested that the item be included on the agenda of the next meeting.

This suggestion was agreeable to all Representatives.

3. "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".

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This suggestion was agreeable to all Representatives.

3. "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".

The Chairman stated that he understood that the Council was waiting for a reply to its last letter addressed to SACMED regarding this item, but that to date the Council had not yet received the awaited reply.

Dr. Smodlaka inquired whether Admiral Stone had received any information in the premises.

Admiral

- 3 -

Admiral Stone stated that the reply which the Council will receive would be based on data compiled by the Allied Commission and, in this connection, he wished to assure the Council that this work has first priority in work of the Allied Commission. He stated that he hoped to have the report concluded in time for the next meeting and that the Allied Commission was doing all it can to expedite the matter.

The Chairman expressed appreciation to the Admiral for pursuing the matter vigorously.

4. "Extradition to the Yugoslav Government of Italian War Criminals listed by the United Nations War Crimes Commission on Request of Yugoslavia".

The Chairman stated that this item had been placed on the agenda at the request of the Yugoslav Acting Representative and inquired whether Dr. Smolaka wished to make any statement thereon.

Dr. Smolaka presented the following statement:

"On behalf of the Yugoslav Government I have the honour to state as follows:

1. By the Article 29 of the "Additional Conditions of the Armistice with Italy" the Italian Government was obliged to comply with the following: "Benito Mussolini, his chief Fascist associates and all persons suspected of having committed war crimes or analogous offences whose names appear on lists to be communicated by the United Nations, will as soon as possible be apprehended and surrendered into the hands of the United Nations. Any instructions given by the United Nations for this purpose will be complied with".

2. Upon request of the Yugoslav Government 716 Italians were listed by the United Nations War Crimes Commission until September 1946.

Mr. Attlee, in the absence of Mr. Bevin, in his note No. U. 8375/29/73 of 15 December 1945, informed the Yugoslav Ambassador in London that the Combined Chiefs of Staff had authorized the Supreme Allied Commander, Mediterranean, to hand over to Allied Governments criminals of Italian or other ex-enemy nationality wanted by them.

The Yugoslav Representative to the Advisory Council for Italy requested subsequently in his letters Pov.br.16/46 and Pov.br.37/46 dated 5 and 8 January 1946, from A.F.H.Q.: "A. To arrest without delay all Italian War Criminals who have been listed by the U.N. War Crimes Commission on proposal of Yugoslavia, in order to prevent their escape. "B. To hand them over to the Yugoslav Authorities".

After that Brig. Lush, in capacity of the Acting Chief Commissioner, informed me in his letter No. 4/29.8/GA of 16 February 1946, that A.F.H.Q. have forwarded to him instructions as to procedure to be

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After that Brig. Lush, in capacity of the Acting Chief Commissioner, informed me in his letter No. 4/29.8/CA of 16 February 1946, that A.F.H.Q. have forwarded to him instructions as to procedure to be adopted for the arresting of the requested Italian War Criminals, i.e. that all requests will be addressed to H.Q.A.C. who will take action in the matter and forward the requests to DAMP (SIB) c/o JAG, Naples. Brig. Lush informed me at the same occasion that orders to DAMP (SIB) to arrest persons listed by the War Crimes Commission have already been issued.

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Since no Italian war criminal was handed over to Yugoslavia, I requested again in my letter Pov.br.273/46 of 28 February 1946, "that all Italian war criminals, listed by the U.N. War Crimes Commission, be arrested and handed over to the Yugoslav authorities". Brig. Lush replied that the "request has been passed to AFHQ for action by DAMP (SIB)".

As even after that reply no one was handed over, I requested in my letter Pov.br.677/46 of 22 June 1946, addressed to the Chief Commissioner, that a list of names of those listed Italian war criminals who have been arrested to date may be forwarded to us.

Unexpectedly I received a letter from the Vice President, Civil Affairs section (No.4/29.8/CA dated 6 August 1946), informing us that "the question of the handover to the Yugoslav Authorities of Italians registered with UNWCC as war criminals wanted by Yugoslavia is under discussion between the proper Authorities", and "until that discussion is concluded it will not be possible to comply with" the request of the Yugoslav Representative A.C.I.

We were even more surprised with the explanation given to the Yugoslav Embassy in London from the British Foreign Office in their note No. U.605/71/73 of 17 July 1946, where it is supposed that "as the Yugoslav Government will appreciate the number and in some cases the situation of the Italians in question raises problems which require careful consideration."

The foregoing viewpoint of the Allied Authorities is in contradiction to the quoted statement of Mr. Attlee of 15 December 1945, and the Yugoslav Government consider that there should not be any reason why this matter, which has definitely been settled by the British and U.S. Governments, should again be brought under discussion, even less considering that all the United Nations Governments have agreed that all war criminals must be punished.

3. I therefore addressed on 14 Oct. 1946, a new letter to SACMED (Pov.br.1128/46), requesting again the extradition of the Italian war criminals on basis of the foresaid.

On 21 October 1946, I received through Admiral Stone the reply where it is stated that "since the Allied Military Government has been abolished throughout the whole of Italy with the exception of VENEZIA GIULIA and the Province of UDINE, requests for delivery of Italians who have been listed by the War Crimes Commission must be taken up directly with the Italian Government by the nation requesting the alleged criminals".

4. I cannot consider as satisfactory the foregoing reply, because in actual juridical conditions the Allied Military Authorities in Italy have the duty to hand over to the Allied Governments war criminals of Italian or other ex-enemy nationality whose extradition is requested. This results clearly from Art. 29 of the "Additional Conditions of the Armistice with Italy", which is still in vigour. The same is confirmed also in the note from Mr. Attlee of 15 Dec. 1945, as quoted above, as well as in the letters of

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5.

5. With reference to the foregoing I have the honour to propose that the Advisory Council for Italy may advise the Supreme Allied Commander, Mediterranean Theatre, to issue appropriate orders to his dependent authorities as well as to the Italian Government in order to:

- A. arrest without delay all Italian war criminals who have been listed by the United Nations War Crimes Commission on request of Yugoslavia, in order to prevent their escape;
- B. to hand them over to the Yugoslav Authorities."

Admiral Stone stated that he had addressed a letter on this subject to Dr. Smolaka on October 21, 1946 and another follow-up letter on October 24, 1946 (copies of letters are attached as appendix #1 and appendix #2).

M. Balay noted that the French Government had also requested the extradition of three war criminals and had received the same reply as Dr. Smolaka. He noted that the situation was embarrassing to the requesting government since, in view of the CCS directive, it cannot invoke the Armistice provisions and at the same time, it can not invoke the treaty provisions because they have as yet not been put into effect. Therefore, there appears to be no mechanism for the extradition of war criminals.

Dr. Smolaka stated that the Armistice terms were in force and that the Combined Chiefs of Staff have not the right to change this without prior approval both of the Governments by whom the Armistice was concluded and the Governments in whose interest it was concluded.

Admiral Stone expressed the opinion that the CCS directive took into consideration the revised Armistice terms and that in accordance therewith requests for extradition should be made to the Italian Government. Admiral Stone noted that, in case any Representative questioned the validity of the CCS ruling, he had been instructed by SACMED to advise the Representative that he should pursue the matter, through diplomatic channels, with the American and British Governments.

Colonel Savko stated that he had no comments to make at this time.

Mr. Goshie noted that since he had not had time to examine the question presented by the Yugoslav Representative, he had no comments to offer and would report the matter to his Government.

Mr. Ward noted that his position was basically the same as that of his American colleague; he considered this question a matter of importance and delicacy and would report it to his Government. He further stated that he had no comments to make on the CCS directive. He felt that if the Yugoslav Representative objected to this particular directive he should, in accordance with Admiral Stone's suggestion, take the matter up through diplomatic channels.

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Mr. Vatiklotty stated that he had no comments to make and that he would inform his Government.

M. Balay stated, with reference to the reply he received regarding the French request for extradition of three war criminals, that he had communicated Admiral Stone's reply to his Government and that presumably the matter would be taken up with Washington and London.

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There was no further discussion and the Chairman suggested that the matter be taken up at the next meeting.

5. Miscellaneous

The Council had no miscellaneous business to discuss.

6. Press Communique

The Council agreed to release the following press communique:

"The 58th meeting of the Advisory Council for Italy was held in Rome on October 25, 1946 under the chairmanship of the United Kingdom Acting Representative, Mr. John G. Ward. Other members of the Council present were:

M. Georges Balay France

M. Constantin Vatikioty Greece

Colonel V.V. Savko Soviet Union

Mr. John L. Goshie United States

Dr. Sloven J. Smolaka Yugoslavia

Various questions were discussed.

Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, attended the meeting."

DATE OF NEXT MEETING

The Council agreed to hold the next meeting on November 22 under the chairmanship of the United States Acting Representative.

2 Appendixes:

Letters from Admiral Stone dated

- 1) October 21, 1946
- 2) October 24, 1946.

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APPENDIX #1TO MINUTES OF 58th MEETING OF ADVISORY COUNCIL FOR ITALYHEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 794

Ref: 4/29.8/B/CA21 October 1946.

My dear Doctor Smodlaka,

Your letter Pov.br.1128/46 of 14 October 1946 addressed to the Supreme Allied Commander on the subject of your previous requests for the arrest and handing over of all Italian war criminals who have been listed by the United Nations War Crimes Commission was just about to be transmitted when new instructions from AFHQ made it unnecessary.

I have been instructed to inform you that since the Allied Military Government has been abolished throughout the whole of Italy with the exception of VENEZIA GIULIA and the Province of UDINE, requests for delivery of Italians who have been listed by the War Crimes Commission must be taken up directly with the Italian Government by the nation requesting the alleged criminals.

Very truly yours,

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

Doctor Sloven J. Smodlaka,
Yugoslav Representative to the A.C.I.
ROME.

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 794

Ref: 4/29.8/E/CA

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ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Doctor Sloven J. Smodlaka,
Yugoslav Representative to the A.C.I.
ROME.

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Declassified E.O. 12356 Section 3.3/NND No.

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APPENDIX #2

TO MINUTES OF 58th MEETING OF ADVISORY COUNCIL FOR ITALY

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

A P O 794

Ref: 4/29.8/B/CA

24 October 1946

My dear Doctor Snodlaka,

I refer to my letter No. 4/29.8/B/CA of the 21 October 1946.

In order to make the position quite clear, I am writing to inform you that the instructions referred to in the second paragraph of my letter of 21 October came from the Supreme Allied Commander who, in turn, had received them from the Combined Chiefs of Staff.

Very truly yours,

ELERY W. STONE
Rear Admiral, USNR
Chief Commissioner

MINUTES OF THE 54th MEETING
OF THE ADVISORY COUNCIL FOR ITALY

JUL 27 1946

The meeting was held at Via Monti dei Parioli 24 on July 5, 1946 under the chairmanship of Dr. Sloven J. Smodlaka, the Acting Yugoslav Representative on the Council. Present at the meeting were:

Dr. Sloven J. Smodlaka	Jugoslavia
M. Čedomil Veljačić	
M. Pierre Sebillan	France
M. Constantin Vatikioty	Greece
M. Constantion Himarios	
Colonel V.V. Savko	Soviet Union
Lt. N.M. Geegalin	
Mr. B.P. Pavitt	United Kingdom
Mr. John L. Goshie	United States

The agenda for the meeting included the following items:

- 1.) Political Review - by Rear Admiral Ellery W. Stone,
Chief Commissioner of the Allied
Commission.
- 2.) "Statement of the Soviet Union Representative regarding
Discontinuance of Provision of Funds by the Combined
Chiefs of Staff to the Soviet Delegation and Reimburse-
ment for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Proper-
ty taken by Italian Fascist Authorities, included the
Yugoslav Sunken Ships, which should be salvaged and repaired
at the Expenses of the Italian Government".
- 4.) Miscellaneous.
- 5.) Press Communique.

Dr. Sloven J. Smodlaka, the Chairman, opened the meeting and, in the absence of Admiral Stone, called on Brigadier Lush to present the Admiral's report.

1. Political Review

- (a) Report by Rear Admiral Ellery W. Stone.

Brigadier Lush stated that unfortunately the Admiral was unable to attend today's assembly since he had an urgent meeting with General Morgan at Caserta. The Brigadier then presented the following report:

Dr. Sloven J. Smodlaka	Jugoslavia
M. Čedomil Veljačić	
M. Pierre Sebillieu	France
M. Constantin Vatikioty	Greece
M. Constantion Himarios	
Colonel V.V. Savko	Soviet Union
Lt. N.M. Geegalin	
Mr. B.P. Pavitt	United Kingdom
Mr. John L. Goshie	United States

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al Morgan at Caserta. The Brigadier then presented the following
report:

"Gentlemen:

In my last review to the Council on June 7, I reported that
unofficial results of the Referendum showed a victory for the Re-
public by a plurality of approximately two million votes. It was
thought that the Supreme Court of Cassation, which had the task
of scrutinizing the ballots and examining the appeals, would
finish its labors by June 8 and declare the results of the refer-
endum on that day. Victory having already been unofficially con-

ceded to the Republic, it was believed furthermore that the King would leave for Portugal immediately thereafter. The Queen and royal children had already left Italy on June 6 aboard the Italian cruiser "Duca degli Abruzzi", destined for Portugal.

By June 8, it became known that certain groups of Monarchists had entered protests against the legality of the Referendum. The most important protest was made by the Secretary of the Liberal Party and Signor Cattani, Liberal Party Cabinet Minister, who drew the attention of the Prime Minister to Article II of Decree Law No. 98 of March 16, 1946, which provides that the outcome of the Referendum shall be calculated on the "majority of voting electors". Thus, for example, if 26 million votes were cast and two million were found to be technically invalid, the majority in the Referendum would nevertheless have to be over thirteen million, rather than over twelve million according to Signor Cattani's interpretation. Also on June 8, I received a letter from Count Benedetti, head of the Italian Monarchist Union, requesting scrutiny by the Allied authorities of the electoral material being examined by the Court of Cassation. His letter was in effect a request to the Allied authorities to intervene or to check, if not to supervise, the work of the Court. I forwarded Count Benedetti's letter to the Prime Minister for such action as he might deem appropriate and so notified the writer.

On June 10 the Court of Cassation made an interim report to the Government and the people on the basis of almost complete reports (118 precincts had not yet been heard from). Results as announced by the Court were 12,672,767 votes for the Republic and 10,684,905 votes for the Monarchy. The report concluded that the Court would pass final judgment on the protests and claims before complete results of the referendum were proclaimed. The Council of Ministers immediately thereafter issued a communique stating that the Council had taken note of the Court's findings which indicated a majority favoring the Republic, calling upon all Italians to preserve calm and order and declaring June 11 a national holiday in honor of the Republic. In Rome the next day, demonstrations took place in the Piazza del Popolo to celebrate the advent of the Republic. Signor Romita, Minister of the Interior, spoke to the crowd in a reasonable manner, assuring those people who had voted in favor of the Monarchy that they had nothing to fear and that they would be treated like all other Italians provided that they accepted the results of the Referendum as the rest of their fellow citizens were doing.

The interim report of the Court led to a most unfortunate situation, however, inasmuch as those members of the Government of republican tendencies desired the Republic to be proclaimed immediately on the basis of the Court's interim report while the King on the other hand was not convinced that it was proper for him to transfer the sovereign powers to the Provisional President of the Republic until the definite findings of the Court had been received. In the days following the Court's interim report the Cabinet met early and late to discuss ways and means of transferring the powers of Government before the final decision or otherwise to work out a

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The King's formal reply came on June 12 in a letter to the Prime Minister which was simultaneously published in Roman newspapers confirming his willingness to await the decision of the majority of Italian electors, which he said would be clarified by the decision of the Supreme Court, and concluding with the statement that he was sure that he and the Government could continue their cooperation for the sake of Italian unity. The Government, after three meetings during the day, took a different view of the situation and issued a communique in the early morning hours of June 13 in which it adopted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the chief of state fell automatically to the President of the Council of Ministers. The Government communique ended by saying that the King's letter to the Prime Minister could not be considered to modify this constitutional situation.

During these negotiations and deliberations on both sides, the King made a sudden and secret decision to leave Italy. He left from Ciampino airport at four o'clock in the afternoon of June 13 by Italian aircraft, spending the night in Barcelona and joining his wife and children in Portugal the next day. The first news of the King's actual departure from Rome was received in the Allied Command mission by a telephone call from Ciampino airport relayed by Rome Area Allied Command, one-half hour after the plane took off. The destination was unknown. Shortly after 5:00 p.m. Avv. Lucifero, Minister of the Royal Household, telephoned for an appointment with me and subsequently arrived in my office at 5:45. Avv. Lucifero informed me that the King had left Italy which was the first report that I received that the King had actually left the country. While Avv. Lucifero would not tell me at that time what the King's destination was, he did inform me that a Royal proclamation would be issued later that evening. When I asked Avv. Lucifero if the proclamation would be issued by the Royal Household or by the Government, he replied "I do not recognize a revolutionary government."

The royal proclamation, which was released late in the evening of the 13th, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation as indicated in his letter of June 12. The proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary" act by assuming powers that did not belong to it. Thus, it was stated, the King was faced with the alternative of causing bloodshed or enduring violence, and in order not to become an accomplice to the illegality committed and to spare the people further suffering, he had chosen to leave the country. However, it was added that, in leaving, Umberto II felt it his duty as an Italian and as King to protest against the violence committed. He called on his followers not to do anything to threaten the unity of the country. All those who had sworn allegiance to the King were released from their oaths. The proclamation stated finally that the country could always rely on the King as the most devoted of its sons.

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The King's departure was likewise carefully concealed from the Italian Government and when an Italian aircraft was requested for the King from the Italian Ministry of Aeronautics, the Ministry was requested by the Palace not to inform the Prime Minister since the Palace would do that itself directly. According to the Presidency of the Council of Ministers, the Prime Minister learned of the King's departure through other channels.

The Government issued a statement on June 14, saying that the King's proclamation was a "spiteful" document constructed on a false basis. Regardless of the Government's earlier recognition of the results of the referendum on June 10, the King continued to discuss a delegation of royal powers, and in spite of the difficulty of reconciling the two points of view, the Government had continued the discussions with the King until they were broken off by Avv. Lucifero the night of June 12, it declared. It was stated that the King's letter of June 12 ignored the report of the Court and therefore the Council had to meet to reaffirm the results of the referendum. The President of the Council had given the King proof that a peaceful solution was sought and the King had recognized more than once the loyalty of the Government, which the drafters of the proclamation seemed to ignore. The Government's statement ended by saying that the last two sentences of the proclamation were all that remained of the original proclamation prepared by the King and by deploring that a difficult situation, which had developed not without dignity, had ended on an undignified note.

On the same day the Prime Minister spoke to the nation, recalling that the procedure for deciding the results of the referendum was laid down by law, and promulgated by the King. He stated that all parties in Italy, and the same conclusion was reached abroad, considered that the decision was arrived at freely and honestly. Signor de Gasperi stated it was distasteful to reopen the controversy but that on repeated occasions he had found the King in a conciliatory mood, and that it was possible to consider from a human angle the tragedy of Umberto II who had inherited a discredited dynasty. De Gasperi said that the nation could consider this last episode of an old dynasty as a part of the national catastrophe. He closed by calling on all to present a united front to those threatening Italy's frontiers.

The Court of Cassation issued its final official report on the referendum on June 18. The definitive findings of the Court included reports from all of the precincts previously missing and consideration of the protests of irregularities in voting. According to the Court's final report the Republic received 12,717,923 votes, and the Monarchy received 10,719,294 votes. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. The final report of the court indicated that there were approximately one million and a half invalid votes.

Immediately thereafter, the Council of Ministers approved a decree establishing procedures in view of the change in the institutional form of the state. The decrees during the interim period would be issued by the President of the Council of Ministers in virtue of his authority as provisional chief of state. The Italian tricolor was established provisionally as the national flag without the Savoy coat of arms. The Government also approved a decree dissolving the Senate on the date the Constituent Assembly should convene, that is, June 25, 1946. The law provided that the personal status of the senators shall be considered by the Constituent Assembly in due course.

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At the request of the American and British Governments, I called on the Prime Minister on June 21 to extend to him the congratulations of those governments upon the orderly manner in which the first free elections since pre-Fascist days had been carried out in Italy. I said that the United States and British Governments had been particularly impressed by the large number of electors who participated in the elections, thus demonstrating their appreciation of the responsibility of each citizen in a democracy.

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The Constituent Assembly convened in Rome, at Palazzo Montecitorio on June 25. Giuseppe Saragat, Socialist party leader, was elected President of the Assembly. Subsequently, four vice-presidents and a secretary were elected. The session was opened by Signor Orlando as the dean of the deputies in point of age. The Prime Minister replied on behalf of the Government. Both speeches referred to the meeting of the Council of Foreign Ministers in Paris and reiterated the reasons why Italy should not be subjected to a punitive peace.

The President of the Italian Republic was elected by the Constituent Assembly Friday afternoon, June 28. The Assembly's choice, by 396 out of 504 votes cast, was Enrico de Nicola, a Neapolitan jurist, 69 years old, with a distinguished legal and parliamentary career behind him. The new President arrived in Rome on Monday, July 1 and will take up temporary residence in the Palazzo Madama. Signor de Gasperi was received by the President the same afternoon and handed in his government's resignation. At the time of writing (July 3) President de Nicola, after consulting government and party leaders in the formation of a new government representative of the people's will as expressed in the recent national elections, has charged Signor de Gasperi with the task of forming a new government.

This, Gentlemen, concludes my political review. I regret that my attendance at a SACTED conference at Caserta on July 5 prevents my attendance at your meeting."

The Chairman thanked the Brigadier for presenting the report and invited discussion thereon.

(b) Discussion

Colonel Savko inquired whether the Brigadier knew when the documents relating to the revised Armistice Terms would be signed.

Brigadier Lush stated that it was not possible to indicate the date of signature of the documents and added that they were now in the hands of the Italian Government which would presumably discuss these documents with the parties concerned.

Dr. Smolaka noted that the political review did not make any reference to Italian foreign politics and inquired whether the Brigadier could make a statement on this point.

The Brigadier replied that foreign politics were not included in the report since the Italian Government has been in a state of liquidation and that therefore it was difficult to give any indication of the official attitude of the Government regarding foreign policy. He stated that the chief concern of the Italian Government seemed to relate to the matters being discussed at the peace conference held in Paris and that reports from Paris were viewed with great concern by the Government.

The Chairman thanked the Brigadier for his comments.

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The Chairman thanked the Brigadier for his comments.

2. "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".

The Chairman inquired whether any of the Representatives had received additional instructions and ascertained that none had. He then suggested that the item be included on the agenda of the next meeting.

This suggestion was agreeable to all Representatives.

3. "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, including the Yugoslav Sunk Ship, which should be salvaged and repaired at the Expense of the Italian Government".

The Chairman noted that in accordance with a decision taken at the last meeting the Council had addressed a letter to SACED requesting investigation of the facts reported by the Yugoslav Delegation on this subject (copy of letter attached as Appendix #1) and stated that the Advisory Council for Italy had received a reply from AFHQ (copy attached as Appendix #2). He then inquired whether any of the Representatives had received further instructions.

Mr. Pavitt stated that he had not received any further instructions.

The Chairman then made the following statement:

"1. I am very sorry but I am obliged to state that General A.L. Hamblen did not reply at all to the questions put to S.A.C. by the Advisory Council for Italy. Mr. John L. Goshie, as Chairman in turn of rotation of A.C.I., by his letter dated 12 June 1946, addressed to S.A.C., solicited on behalf of A.C.I. a report on the facts presented in the enclosure to the letter of June 5, 1946 from the Yugoslav Representative, addressed to the Chief Commissioner of the Allied Commission.

General A.L. Hamblen on behalf of S.A.C., by his letter dated 21 June 1946 did not at all communicate to A.C.I. the requested report on the facts presented in the enclosure to the letter of June 5, 1946 from the Yugoslav Representative, addressed to the Chief Commissioner, A.C. General Hamblen repeated essentially the general assertions of General MacLeod of 22 May, and mentioned thereafter that the Navy Sub-Commission had informed the Yugoslav Delegation on 31 May, 1946 about the S/S "Jadran", "Kozjak", "Tomaseo" and "Vodice" that they were sunk in Greece or had remained in Greece in German hands, and that S/S "Jura Subic" was sunk in Civitavecchia.

This reply of AFHQ shows that there was no account taken of the letter sent by the Yugoslav Representative to Admiral Stone on June 5th, where it is stated: "Some ships, requested by us at earlier dates, but whose location at the present time is rather queery, are not contained in the submitted list. We nevertheless retain our right to solicit their restitution again later on", and that of those vessels in para 1 S/S "Jura Subic" is quoted as "sunk in Civitavecchia", whereas the restitution of S/S "Jadran", "Kozjak", "Tomaseo" and "Vodice" are not at all requested for the time being (as long as their exact location is not determined).

2. Gen. A.L. Hamblen asserts in general that the location of other ships is not known, notwithstanding that in the enclosure of my letter to the Chief Commissioner of June 5th, under 'B) Other Vessels', I exactly quoted f.e. under No 11, 12, 13, 14, 15, 16 and 26 which Italian authorities or Italian persons are up to date in possession of these Yugoslav vessels which are floating

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Art. 15 of the Armistice is clear. Italian authorities are bound to reconstitute immediately all Yugoslav ships and all necessary repairs have to be effected by the Italian Government at their expense.

Besides that, even Gen. M.W.M. MacLeod stated explicitly (Para 7 of his comments): "Ships within the terms of the Liberated Ships Agreement should be returned".

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We quoted the exact particulars as regards the actual location of each singular ship, stating in whose hands it is and who is using it. Now it is up to the Allied authorities to investigate the facts thoroughly and to inform us what has been done in order to find out the vessels and to enforce their restitution.

We are asserting f.e. that the S/S "Ucka" (No 11, B Annex to the letter to Admiral Stone) has already been salvaged a year ago and we would like to know why was it not repaired and restituted in good conditions.

M/S "Budimir" (No 12 of the same list) - renamed "Gallo" - is actually located at Rimini and used by the Italian Puzzone Ernesto (Via Sinistra del Porto). The same Puzzone declared that he was ready to hand over the M/S "Budimir" as soon as he will receive orders to do so. Why are no steps being taken for the restitution of that ship?

M/V "Vila" (renamed "Ninfa") (No. 13) is actually in Venice (basis of the Arsenal) whereas its motor MAN 60 HP is used in a private Italian workshop. Why is this ship not being returned?

Trawler Br.2 ("Arbe") (No 14) is still used by the Italian Servizio Escavazioni Porti Marittimi, Sezione Autonomia di Venezia, Ministero dei Lavori Pubblici. This vessel was in May 1945 at Grado. We have been informed that the Italian Royal Navy has already authorized its restitution to Jugoslavia, but the Servizio Escavazioni Porti Marittimi, Sezione Autonomia di Venezia has asked instructions from the Ministero dei Lavori Pubblici. The Jugoslav Government demands that the vessel be repaired and tugged up to the Jugoslav port of Susak on expense of the Italian Government. This trawler Br.2 was never sunk but is used by the Italians. Gen. MacLeod stated in his comments, para 4: "Art. 15 contains only an undertaking to repair ships so far as may be necessary to enable the earlier part of Art. 15 to be carried out". It is well known that we do not agree with such restricted interpretation of Art. 15 of the Armistice. But when even AFHQ do interpret the thing in that way, on basis of what can the Allied authorities refuse our request that the ship be repaired and tugged in the port of Susak on the expense of Italy?

Trawler Br.4 (Juno) (No 15) is in service of the Servizio Autonomo Escavazione Porti, Venice, and it seems that its length was increased for some meters by the Italians. Ing. Somma, Director of the same Servizio Autonomo, declared after the war that the trawler was Jugoslav property. What has been done in order that the vessel be returned?

The Jugoslav tugboat "Bojana" (renamed "Zara") (No 16) is still used by the Italian Ministero dei Lavori Pubblici, Servizio Escavazioni Porti Marittimi. What has been done for the restitution of that boat? Wherefrom has the Ministero dei Lavori Pubblici got the authority to still keep and even to use the Jugoslav trawlers Br.2 and Br.4 and the tugboat "Bojana"?

The Jugoslav Custom Patrol Boats MB 32 and MB 38 were anchored at Bari, Porto Vecchio, on 2 June 1946. The sailors confirmed that the ships were "navi slave". What has been done in order that these ships be returned to us?

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The Yugoslav tugboat "Bojana" (renamed "Zara") (No 16) is still used by the Italian Ministero dei Lavori Pubblici, Servizio Escavazioni Porti Marittimi. What has been done for the restitution of that boat? Wherefrom has the Ministero dei Lavori Pubblici got the authority to still keep and even to use the Yugoslav trawlers Br.2 and Br.4 and the tugboat "Bojana"?

The Yugoslav Custom Patrol Boats MB 32 and MB 38 were anchored at Bari, Porto Vecchio, on 2 June 1946. The sailors confirmed that the ships were "navi slave". What has been done in order that these ships be returned to us?

3. The a/n are only ships whose exact location has been determined by us. All other ships requested can be found in Italy, if they will only be looked for. Permission should be given to the official representatives of the Yugoslav Government to go around the Italian ports, and we would be able to determine the location of our remaining ships and especially of our complete Custom Ships Fleet (as quoted under No. 27, Supplement to the letter to Admiral Stone). Our merchant marine Attache requested in his letter No 26/45 of 8 August 1945, addressed to the Ministry of War Transport, Representative Med. Navy House, Naples, and this Delegation requested again on 4 June 1946, Ref.Br.767/46 from H.Q.A.C., Navy Sub-Commission, for permission that our

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specialists may visit the Italian ports in order to find out the Yugoslav ships there, but this our request has not yet got a favorable solution.

4. We are correcting herewith some of our informations as given in the letter to Admiral Stone: (a) S/S "Bistrice" (No 18); we have been informed on 7 June that she was sunk in the S. Benedetto del Tronto port, and we want to transfer her herewith into our list of sunken ships which the Italian Government is due to salvage and repair. (b) S/S "AVIA" (No 19); we are withdrawing our request since we have been informed on June 7th, that it had remained in Greece. (c) We also beg to cancel from the restitution list the request concerning the "Machines and materials of the "Roma" factory since the Yugoslav Government is requesting it under another title.

5. I cannot understand how it is possible to say (in the letter of 21 June 1945) that: "Except on matters which appear to be largely irrelevant to the matter under discussion the Armistice Terms do not deal with restitution of National Property". The fact that Art. 33(A) of the Armistice is conveying the power of discretion to S.A.C. to issue to the Italian Government any whatsoever orders deeming appropriate to him, as restitutions are concerned, does not demonstrate at all that the Armistice does not contain any decisions regarding restitutions, but, on the contrary, that the question of restitutions has been resolved fully in interest of all the United Nations. It is also difficult to consider as irrelevant the special regulation contained in Art. 15 dealing with the restitution of ships. Besides all that, Art. 9 of the new draft of the Armistice Terms foresees restitutions explicitly in the Armistice Status.

It is a principle of the International Law that restitutions be settled already by the Armistice Terms and not be left for the Peace Treaty; that property has to be restituted in good conditions and that the expenses of the restitution be always settled simultaneously with the restitutions. The principle that property has to be restituted in good conditions is contained explicitly in the Armistice Terms for Rumania, Hungary and Bulgaria. The restitution must comprise salvaging and repairing of ships. There is not one instance in the actual international practice that the expense of the restitutions are being included in the reparations. The costs of restitution are decided together with the restitutions everywhere, and this not by the Peace Treaties but already in the Armistice Terms.

On basis of Art. 15, 23 and 33, S.A.C. has the power to enforce Italy's paying all the costs of restitution, among others the costs of salvaging and repairing ships too. Besides that, Art. 9 of the new Armistice draft is foreseeing explicitly that the costs of the restitutions will be charged to Italy.

It therefore results clearly that the Italian Government is obliged to reconstitute all Yugoslav property on its own expense and that salvaging and repairing ships has to be included in the costs of restitution.

Our requests for restitution, made up to date, are contained in the letter sent to Admiral Stone on June 5th, with short informations and reference numbers and dates. Until Italy has not satisfied our requests for restitution, she has not complied with

of sunken ships which the Italian Government is due to salvage and repair. (b) S/S "AVIA" (No 19): we are withdrawing our request since we have been informed on June 7th, that it had remained in Greece. (c) We also beg to cancel from the restitution list the request concerning the "Machines and materials of the "Romsa" factory since the Yugoslav Government is requesting it under another title.

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Our requests for restitution, made up to date, are contained in the letter sent to Admiral Stone on June 5th, with short informations and reference numbers and dates. Until Italy has not satisfied our requests for restitution, she has not complied with the Armistice Terms in relation to Yugoslavia. General Macleod, in para 2 of his comments, admitted that the Allied authorities in Italy did not issue orders to the Italian Government to comply with the Yugoslav requests for restitution. As it is so, this means that the Allied authorities in Italy are responsible for the non-accomplishment of the restitutions due to Yugoslavia, because they have not issued orders to the Italian Government to reconstitute the looted property to Yugoslavia. According to all this, we consider as perfectly correct our proposal that the Advisory Council for

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Italy may recommend to S.A.C. to take necessary steps in order to bid the Italian Government to reconstitute all the property requested by Yugoslavia.

6. With reference to all above mentioned I remain by the last decision of A.C.I. and am asking that it be requested again from S.A.C. that a report be given about all items presented in the enclosure to the letter Pov.br.608/46 of 5 June 1946 from the Yugoslav Representative on the Advisory Council for Italy addressed to the Chief Commissioner of the Allied Commission. After SACMED will be in possession of the completed investigation of facts presented by us, as regards each singular of our requests for restitution, and particularly as ships listed under 11-16 and 25 are concerned, then it will be clear that we are right in our assertions that the Italian Government and singular Italians are still using Yugoslav property among which there are many vessels.

7. Finally I have to inform the Council that the Navy Sub-Commission, with its letter Ref. NSC/5189 of 24 June 1946 requested the views of the Yugoslav Representative as regards the removing of the sunken ship "Jugoslavia" from the harbour of Leghorn, since it was obstructing the entrance to the port. I replied that instead of destroying the Yugoslav passenger S/S "Jugoslavia", the duty of the Italian authorities was to salvage and repair it. It is obvious that the responsibility for further destroying of Yugoslav vessels would fall on those authorities who would issue orders for their blowing up. I cannot believe that the Allied authorities instead of issuing orders to the Italian Government to salvage the ship, might give permission for its being destroyed by the Italian authorities. I am insisting on my standpoint that it is the duty of the Italian Government to salvage and repair at their expense the Yugoslav sunken ships.

8. I propose that the Advisory Council for Italy may recommend to the Supreme Allied Commander to take necessary steps in order to bid the Italian Government to reconstitute all property claimed by the Federal People's Republic of Yugoslavia and particularly the Yugoslav sunken ships which should be salvaged and repaired immediately and on expenses of the Italian Government."

M. Sebillieu stated that the French Government was in favor of an immediate restitution to Yugoslavia of the floating ships and of direct negotiations between the Italian Government and the Yugoslav Government as regards the sunken ships, according to the example set by the French Government.

M. Vatiklotty expressed concurrence with M. Sebillieu's views.

Colonel Savko stated that "he felt the claims of the Yugoslav Delegation were just and he suggested that all the Yugoslav ships which were afloat must be immediately restituted by the Italian Government and it was necessary to forward a recommendation to SACMED urging him to take proper steps in order to bid the Italian Government to reconstitute all the rest property requested by the Yugoslavs including sunken ships which the Italian Government was bound to salvage and repair at its own expenses".

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Mr. Pavitt stated that he had nothing to add to the views expressed by the British Government on this subject at the last meeting of the Council.

Mr. Goshie stated that the position of the United States Government on this subject remained as indicated in the official statement he made at the last meeting (see page 17 of last minutes). He noted that the U.S. statement could be divided into two distinct

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parts:

Part 1, in which general concurrence is expressed with the basic position of AFHQ indicated in General Macleod's letter of May 22, 1946 according to which the question of the restitution of national property is not considered, generally speaking, a matter covered by the Armistice Terms; and

Part 2, in which indication is made of arrangements, under consideration by the United States Government, to provide for the restitution of looted United Nations property currently located in Italy.

With reference to the proposal advanced by the Yugoslav Representative that the Council forward a recommendation to SACMED urging him to order the Italian Government to restitute all Yugoslav property seized by the Italian authorities, Mr. Goshie stated that he could not support this proposal and recommended that the Representatives consider lending support to the arrangements under consideration by the United States Government for the restitution of looted property in Italy.

Dr. Smodlaka stated that "actually the Armistice of 1943 was in vigour and not yet the new Armistice and that the matter has consequently to be dealt with in basis of the armistice terms actually in vigour. In accordance with Article 15 of the armistice terms all ships belonging to the United Nations should have been returned immediately. AFHQ, General M.W.M. Macleod, stated accordingly in his Comments, para 7, that 'ships within the terms of the Liberated Ships Agreements should be returned'. The Advisory Council for Italy is authorized to interpret the Armistice of 1943. This results clearly from the Moscow Resolution according to which the competence of the Advisory Council for Italy is to watch the operation of the machinery of control in Italy (para 4) and to advise the Allied Commander-in-Chief (para 5). It would be impossible to perform these functions without having the right to interpret the Armistice." Dr. Smodlaka also noted "that SACMED had not given A.C.I. the report requested in its letter of June 12, 1946," and suggested "that the Council repeat its request for a factual report in the premises".

Mr. Goshie expressed the opinion that the question of interpretation of the Armistice Terms was primarily the responsibility of SACMED and was not a matter within the competence of the Advisory Council. He added that there was nothing in the Moscow Terms of Reference which gave the Council the right to interpret the Armistice Terms.

Colonel Savko inquired on what basis French ships were returned to France and whether these ships were repaired before they were returned.

M. Sebillan stated that inasmuch as he had not been in Rome at the time of liberation by the Allies of Italy he was not very familiar with the matter but he believed that no large French vessel had been found floating on Italian waters at that time and that the only ships returned to France (a very small number) were those which the French Reconnaissance mission was able to have

consideration by the United States Government, to provide for the restitution of looted United Nations property currently located in Italy.

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Dr. Smodlaka stated that a considerable number of United Nations ships had actually been returned.

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Brigadier

Brigadier Lush pointed out that he thought most of these ships were returned upon conclusion of the armistice for the prosecution of war and that these ships were mostly military vessels and vessels used for the furtherance of the war effort.

Dr. Smolaka repeated his request that the Advisory Council should address a letter to SACRED requesting a factual report on every case as presented in his letter of June 5, 1946 to Admiral Stone. For that purpose a new adjourned list of all Yugoslav claims will be forwarded as an additional enclosure".

This suggestion was accepted by all members of the Council.

4. Miscellaneous

The Council had no miscellaneous business to discuss.

5. Press Communique

The Council agreed to release the following press communique:

"The 54th meeting of the Advisory Council for Italy was held in Rome on July 5, 1946 under the chairmanship of the Yugoslav Acting Representative, Dr. Sloven J. Smolaka. Other members of the Council present were:

M. Pierre Sebillieu	France
M. Constantin Vatikioty	Greece
Colonel V. Savko	Soviet Union
Mr. B.P. Pavitt	United Kingdom
Mr. John L. Goshie	United States

A report on current political developments in Italy, by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, was presented to the Council by Brigadier Maurice S. Lush, Executive Commissioner of the Allied Commission".

DATE OF NEXT MEETING

The Council agreed to hold the next meeting on August 2, 1946 under French chairmanship.

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DATE OF NEXT MEETING

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2 Appendixes:

- 1) Copy of letter to Lt. General Morgan,
dated June 12, 1946.
- 2) Copy of reply from AFHQ, Brigadier General A.L. Hamblen,
dated June 21, 1946.

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APPENDIX #1
TO MINUTES OF 54th MEETING OF ADVISORY COUNCIL FOR ITALY

Rome, June 12, 1946

Sir,

I have the honor to solicit on behalf of the Advisory Council for Italy a report on the facts presented in the enclosure to a letter of June 5, 1946 from the Yugoslav Representative on the Advisory Council for Italy addressed to Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission.

In connection with the foregoing, reference is made to a letter of May 22, 1946 from Major General MacLeod, addressed to Sir Noel Charles, in which letter the General undertook, if the Council so desired, to have the matter under discussion investigated further and more fully.

Sincerely yours,

John L. Goshie
Chairman in turn of rotation
Advisory Council for Italy

Lieutenant General
Sir W. Morgan, K.C.B., D.S.O., M.C.,
Supreme Allied Commander
Allied Force Headquarters,
Caserta.

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Lieutenant General
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Supreme Allied Commander
Allied Force Headquarters,
Caserta.

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APPENDIX #2
TO MINUTES OF 54th MEETING OF ADVISORY COUNCIL FOR ITALY

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 912.23-1

21 June 1946

SUBJECT : Return of Yugoslav Ships.

TO : The Chairman
Advisory Council for Italy

1. I have the honour to acknowledge receipt of your letter of 12 June 1946. The comments enclosed with Major General MacLeod's letter of the 22 May appear to answer categorically the whole of the Yugoslav statement with the exceptions of paragraphs 3 and 4 thereof.

2. As mentioned in Comment No. 6. - Paragraph 3 of the Yugoslav statement is in such general terms that it is impossible to institute any enquiry without specification of the facts alleged. Except on matters which appear to be largely irrelevant to the matter under discussion the Armistice Terms do not deal with restitution of National Property. If any further investigation on this phase of the subject is required may details be supplied of the particular terms of the Armistice alleged to be broken with references to the representations made thereon and the replies made to such representations.

3. With regard to paragraph 4 the following information has been received as to some of the ships in question and was passed by the Navy S/C of the Allied Commission to the Yugoslav Delegation on 31 May 1946.

SS JADRAN	on 8 September 1943 in Greece and was later sunk at Leros.
SS KOZJAK	on 8 September 1943 was in Leros which was then in German occupation, no information of what happened to this vessel thereafter.
SS JURAJ SUBIC	on 8 September 1943 was in Civitavecchia, was there captured by the Germans, found sunk in that port on its liberation.
SS TOMASEO	on 8 September 1943 was, in harbour of Chitton, sunk.
SS VODICE	on 8 September 1943 was at Patrasso and was there captured by the Germans and renamed CECILIE. No information as to later movements of this vessel.

4. It would appear that in the above five cases the ships were in fact under German control on 8 September 1943 and that

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4. It would appear that in the above five cases the ships were in fact under German control on 8 September 1943 and that even if these ships had in fact been at any time under Italian control (of which there is no evidence) it is not now within the power of the Italian Government to restore them to Yugoslavia. Three of the ships are sunk and there is no obligation on the Italian Government to salvage them. The other two were last heard of in German hands.

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5. There is no information as to the remaining ships mentioned in paragraph 4. It is more than possible that they also were under German control on 8 September 1943.

FOR LIEUTENANT GENERAL MORGAN:

A.L. HAMBLIN

Brigadier General, G.S.C.

Assistant Chief of Staff, G-5.

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A.L. HAMELEN
Brigadier General, G.S.C.
Assistant Chief of Staff, G-5.

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MINUTES OF THE 53rd MEETING
OF THE ADVISORY COUNCIL FOR ITALY

JUL 26 1946

The meeting was held at Via Vittorio Veneto 119 on June 7, 1946 under the chairmanship of Mr. John L. Goshie, the U.S. Acting Representative on the Council. Present at the meeting were:

Mr. John L. Goshie	United States
M. Georges Belay	France
M. Pierre Sebillieu	
M. George Erintaris	Greece
M. Alexander Sgourdéos	
Colonel V.V. Savko	Soviet Union
Lt. N.M. Geegalin	
Mr. Aubrey S. Halford	United Kingdom
Dr. Sloven Smolaka	Yugoslavia
M. Čedomil Veljačić	

The agenda for the meeting included the following items:

- 1.) Political Review - by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission.
- 2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".
- 4.) Miscellaneous.
- 5.) Press Communique

The Chairman, Mr. John L. Goshie, opened the meeting and called on Brigadier Lush to present Admiral Stone's report.

Brigadier Maurice L. Lush, Executive Commissioner of the Allied Commission, reported that Admiral Stone had returned to duty but was unable to attend the meeting owing to pressure of urgent work.

1. Political Review

(a) Report by Rear Admiral Ellery W. Stone presented by Brigadier Lush:

Mr. John L. Goshie	United States
M. Georges Balay	France
M. Pierre Sebillau	
M. George Exintaris	Greece
M. Alexander Sgourdéos	
Colonel V.V. Savko	Soviet Union
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1. Political Review

(a) Report by Rear Admiral Ellery W. Stone presented by Brigadier
Lush:

"Gentlemen:

As was to be expected, the first week of the period under review
was entirely taken up with preparations for the elections on June 2nd
and 3rd. The Council of Ministers was unable to meet during this
period and therefore no government business was transacted. All the

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Ministers and political party leaders were touring the country at lightning speed, making their final pre-election speeches.

Political excitement reached its fever pitch on May 30th with the holding of the last publicly allowed political gatherings. On that day Signor de Gasperi spoke in Florence and Milan. He had spoken earlier in the week in Sicily, Southern Italy and Rome. Signor Togliatti made his principal speech at a large Communist gathering on the Palatine Hill on May 30th while the Republicans met in the Piazza della Cancelleria, the Socialists at the Basilica of Maxentius and Senator Orlando addressed the adherents of the National Democratic Union in the Teatro Adriano. Political gatherings were of course forbidden on May 31st and June 1st and there was consequently a noticeable slackening of the tension at least on the surface. Political activities no doubt continued on these days but the general air of orderliness throughout the country was only marred by one incident, when, it is reported, a hand grenade was thrown into the offices of the Avanti newspaper in Milan during the evening of June 1st.

Before reporting on the elections themselves and discussing such results as have become known at the time of writing, I would like to draw your attention to one or two events which took place during the last week of May and may be said to have some influence on the elections also. As you are already aware, at 5.30 p.m. on May 29th, the Executive Commissioner of the Allied Commission, acting on my behalf, called on the President of the Council and left with him a written communication to the effect that in view of the imminent elections the Allied Governments regarded as terminated the undertaking given by successive Italian Governments since the armistice regarding the truce on the institutional question. Although in practice the institutional truce has been violated a number of times by both sides in recent months, and could not therefore be said to be operative any longer, it was necessary from the point of view of the Allied Governments to take official action to terminate the truce in order that at some future date the Italian political parties should not be able to accuse the Allied authorities of having hampered their electoral activities by insisting on the maintenance of the truce and thereby prejudicing the free expression of the popular will.

During the week the press was full of rumours regarding the imminent signature of the new armistice terms. These rumours were given a stimulus by the visit to Rome of the Supreme Allied Commander on May 29th. However, General Morgan did not see the President of the Council on this occasion and there was, needless to say, no truth in the story that the new armistice was about to be signed. However, on instructions from the Supreme Allied Commander, I caused the text of the revised armistice as agreed by the Four Foreign Ministers at Paris on May 16th to be officially communicated to Signor de Gasperi at 11 a.m. on June 1st. The text of this document is as follows:

"Whereas hostilities have ceased.
"Whereas after the armistice, Italian Forces contributed to the war against Germany, Italy declared war on Germany as from October 13, 1943 and thereby became a co-belligerent against Germany.
"Whereas the armistice terms have thereby become in part obsolete

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"Whereas the armistice terms have thereby become in part obsolete or have been superseded by events.

"Whereas

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Whereas the Government of Italy has requested and the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France have agreed to a modification of the armistice regime in the light of existing circumstances.

Accordingly, the afore-mentioned Governments have decided that the Armistice terms shall be modified as follows, pending the coming into force of a treaty of peace.

"1. The additional conditions of armistice of September 29, 1943 are hereby abrogated.

"2. Relations between the United States, United Kingdom, Soviet and French Governments, acting in the interest of the United Nations, and Italy, shall be governed by the Armistice of September 3, 1943, as modified by the present agreement.

"3. The Allied Commission is hereby abolished.

"(A) A special section of Allied Force Headquarters under the orders of the Supreme Allied Commander who will act as chairman, shall be established to assume the control functions of supervision and direction of the Italian Armed Forces heretofore exercised by the Land, Navy and Air Force Sub-Commissions in the Allied Commission. This section shall control the production of armaments.

"(B) The employment and disposition of the Italian Navy shall remain as at present under the command and control of the Supreme Allied Commander.

"(C) Pending the coming into force of any treaty of Peace, Allied Military Government shall be continued under the Supreme Allied Commander, Mediterranean, in Venezia Giulia and in the Province of Udine.

"4. The provisions of the present instrument shall not apply in or affect the administration of any Italian colony or dependency.

"5. Simultaneously with the coming into force of the present agreement, further agreements shall be concluded between the United States and Italy, and between the United Kingdom and Italy, providing for the maintenance in Italy of Allied Forces under redeployment, and for the retention of the Allied Forces required for the Allied lines of communication to Austria.

"6. Italian prisoners of war now held under the jurisdiction of the United States, United Kingdom, the Soviet Union and France shall be repatriated as soon as possible.

"7. The Government and people of Italy will abstain from all acts detrimental to the interest of the United Nations or of their nationals.

"8. The Italian Government will cooperate in the apprehension and surrender for trial of, or in making available as witnesses, Italian subjects or nationals of states at war with the United Nations designated by the United Nations as war crimes commission or the International Military Tribunal established by the agreement signed at London on August 8, 1945.

"9. The Italian Government will provide, at its own expense, all necessary facilities for and will cooperate with the United Nations in the search for and restitution of property wrongfully removed

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from the territories of the United Nations and located in Italian territory.

"10. The Italian Government, in full recognition of the absolute and untrammelled right of the people of Italy to choose by constitutional means the form of democratic government they desire, hereby renews its pledge to submit to the will of the people, to this end, the Italian Government undertakes to provide through free elections for an expression of the popular will on the democratic forms of government to be chosen by the people, it being understood that the choice shall be decided by the majority of the popular vote, which shall be binding upon the present government and upon bodies constituted through such elections.

"11. The present agreement shall be without prejudice to any claims of any of the United Nations against Italy rising out of hostilities conducted in or by Italy and shall in no way affect the final disposal of Italian territory or property, nor shall it impair any limitations or restrictions which may be imposed upon Italy in the Treaty of Peace.

"12. The present agreement shall enter into force upon signature thereof by the President of the Council of Ministers of Italy, and by the Supreme Allied Commander in Italy duly authorized thereto by the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France and shall remain in force until superseded by other arrangements or until the coming into force of the Peace Treaty with Italy."

The agreement revising the armistice terms will be signed by the Supreme Allied Commander and the Italian Government at the same time as two supplementary agreements between the United States and Italy and the United Kingdom and Italy respectively regarding the maintenance of Allied troops in this country. These supplementary agreements will be negotiated with the Italian Government and I understand that they are, for your information, similar to the agreements which the British Government concluded with the United States Government in London during the war for similar purposes and recently with certain Allied Governments since the liberation of Western Europe in connection with British lines of communication with Germany and Austria.

The only other development of importance during this period was the proclamation of King Umberto II on June 1st. This statement came as the climax to a week of great activity on the part of all Monarchist sympathizers. The King himself was in the vanguard making appearances in Salerno, on May 28th, Catania, Messina and Reggio Calabria. On May 31st he was in Genoa and on June 1st he appeared in Milan and Venice where his presence is reported to have been variously received. In his statement of June 1st, His Majesty spoke with sympathy of the voter's personal attempts to do his duty in the present crisis and he reiterated his pledge to accept the results of the referendum. He stated that he would ask the supporters of the Monarchy also to respect "the decision of the majority without reservation." The King then went on to say that, should the referendum show that the majority of the people was in favor of the Monarchy, he pledged himself that, so soon as the Constituent Assembly had accomplished its task, the Italian people

stood that the choice shall be decided by the majority of the popular vote, which shall be binding upon the present government and upon bodies constituted through such elections.

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people might suggest. By that time feelings would have calmed down and many Italians who were new perplexed would have had time to make a mature choice. Signor Togliatti, writing in the Unità on June 1st, immediately branded the King's statement as "a last attempt to confuse people who are still uncertain." He said that, even in the event of a Monarchist victory, King Umberto would not automatically ascend the throne but would have to abide by the decision of the Constituent Assembly on the selection of the Head of the State. As for a second referendum, the Communist leader declared, somewhat in- cautiously, that the electors had had enough electoral campaigns.

The elections themselves were held throughout Italy except in Venezia Giulia and Bolzano Province on June 2nd and 3rd. According to all reliable accounts they passed off without incident. The poll seems to have been particularly heavy and it is expected that abstentions will prove to be low.

The voting procedure seems to have been rather slow at first in the big centres where the electors often had to wait four or five or six hours before their turn came. Nevertheless, despite the long waits there appears to have been no unpleasantness apart from a little mild grumbling. The electors appear to have been duly impressed by the seriousness of the decision that they were taking and discharged their duty with a high sense of political decorum.

As regards the results of the voting, the position as at the time of writing (June 6th) is as follows. Out of 35,318 electoral precincts, the ballots of 34,875 have been scrutinized. This scrutiny shows the following distribution of votes throughout the country:

Christian Democrats	8,049,101
Socialists	4,696,490
Communists	4,294,875
National Democratic Union	1,535,546
Italian Republican Party	998,091
Uomo Qualunque Party	1,201,773
Action Party	334,935
Liberty Bloc	632,536
Democratic Republican Concentration	94,464
Unionist Movement	71,902
Christian Social Party	51,673
Other lists	830,525
TOTAL	22,791,911

It is estimated that 25,000 ballots have still to be scrutinized.

The results of the referendum on the institutional question have not been officially published as they were received at the Ministry of the Interior but have been collated for general publication. This proclamation may take place on Saturday. The unofficial results show a victory for the republic by a plurality of over two million.

That, Gentlemen, concludes my report."

The Chairman thanked the Brigadier for having presented the

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The Chairman thanked the Brigadier for having presented the
report and inquired whether any of the members of the Council wished
to make any comment thereon.

(b)

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(b) Discussion

Dr. Smodlaka referred to the new armistice mentioned in Admiral Stone's report and inquired when it would be signed.

Brigadier Lush stated that this depended on the two supplementary agreements to be concluded.

Dr. Smodlaka asked whether these agreements were about to be finished or to be initiated.

Brigadier Lush stated that he thought the Representatives of the United Kingdom and of the United States might know the present status of these contemplated agreements.

Mr. Halford stated that the British agreement had been received but that, he understood, the U.S. agreement was in process of completion.

Mr. Goshie stated that he had no information regarding the status of these negotiations.

2. "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances."

The Chairman reported that in accordance with the Council's agreement, reached at the last meeting, copies of the minutes during which the Council had discussed this subject were forwarded to SACMED on June 5, 1946 (copy of transmitting letter is attached). He then inquired whether any of the Representatives wished to make any statement on this subject which had been included on today's agenda at the request of the Soviet Union Representative.

The Soviet Union Representative stated that he felt it would be advisable to leave the item on the agenda because an answer from SACMED to whom the matter had been referred had not yet been received and, besides, no final decision on the question had been taken by the Council.

Mr. Goshie stated that the letter sent to SACMED merely transmitted to SACMED, for his information, copies of the meetings during which the subject was discussed and that a reply to this letter was not expected.

Colonel Savko said that in this case the Advisory Council must make a proper decision regarding this question.

Mr. Goshie stated that the function of the Council was to make recommendations and that it was not up to the Council to take a decision in the premises. He added that the views of the Representatives had been expressed in former meetings but, he thought, that the Council did not reach a common ground on the question.

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Colonel Savko expressed the opinion that the item should remain on the agenda.

Dr. Smodlaka was of the same opinion and said that some of the Governments represented on the Council might change their views.

Mr.

Mr. Halford stated that he had nothing to add to Sir Noel Charles' earlier statements and that the views of the various governments were already well known to the Council. A decision could only be reached therefore at Government level.

Mr. Exintaris stated that for the time being he too had nothing to add to his former statements.

Mr. Goshie noted that as he understood the problem, there were two basic questions: 1) the discontinuance of lire advances and 2) the reimbursement of past advances. The Chairman summarized the positions of the various Delegations as follows: the position of the United States Delegation, as indicated in its statement submitted during the 50th meeting of the Council, was that it is willing to support a request to SACMED recommending that limited advances to the Advisory Council be authorized for the disbursement of administrative expenses common to the Council. The British Delegation expressed support of this position. The French Delegation has stated that it considered its interests too small in this connection and that therefore it did not wish to have its point of view taken into consideration. The views of the Soviet Union and the Yugoslav Delegations are that they do not wish to make reimbursement of past advances and that they desire further advances.

The Chairman ascertained that it was the desire of the Council to leave the item on the agenda for the time being.

3. "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government."

The Chairman reported that in accordance with the Council's agreement reached at the last meeting a letter had been sent to SACMED (copy of letter attached hereto) and that a reply thereto had been received from AFHQ (copy of reply attached). He then inquired whether any of the Representatives had received instructions on the subject.

Dr. Smodlaka said that he would like to make another statement regarding this subject:

"1. I have the honour to state on behalf of the Government of the Federal People's Republic of Yugoslavia that my Government did not include in their claim for reparations the objects whose restitution is being requested. This is one more reason that the salvage and repair of the ships should be included in the Italian restitutions. The Yugoslav Government insist on their request that orders be issued to the Italian Government by the Allied Military Authorities to reconstitute all objects taken away from Yugoslavia as well as to salvage and repair on their expense all ships. Only in exceptional cases, if the Italian Government would not have the material possibility to comply with certain claims for restitutions, the Yugoslav Government retain their right to claim that each singular object be paid for, apart from the general account of the reparations.

This point of view of the Yugoslav Government has already

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This point of view of the Yugoslav Government has already been communicated to the Governments of the United States, Soviet Union, United Kingdom and France through diplomatic channels.

2. I am afraid I am quite unable to agree with Maj.Gen.M.W.M. MacLeod's interpretation of the Armistice Terms. Furthermore, I

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have to point out that Sir Neel Charles as Chairman in turn of rotation had requested in name of the Advisory Council for Italy from SACMED a report on the facts of the case, whereas Maj.Gen. MacLeod who replied to it, did not present a report on the facts, but merely a report on my statement of 10 May. It is therefore considered necessary that a report from SAC be requested again by A.C.I. (as stated below, para 5 of this statement).

3. The assertion of Maj.Gen. MacLeod that "the Armistice Terms contain no provisions for the restoration of plundered property" is without foundation. Beside, the special disposition of the Art. 15, according to which Italy is bound to reconstitute the ships, a general measure is explicitly foreseen in the Art. 33A for all objects, without discrimination, that "the Italian Government will comply with such directions as the United Nations may prescribe regarding restitution". Consequently, it is clear that the United Nations are entitled to obtain the restitution of the plundered property just on basis of the Armistice.

According to the Protocol of 9 November 1945 ("Additional Conditions of the Armistice") the armistice was concluded by the United States and the United Kingdom Governments acting in the interest of all the United Nations" and "on behalf of the United Nations". The Federal People's Republic of Yugoslavia is a member of the United Nations, and she also had given her previous written agreement that the Armistice may be concluded in her name too. So the Armistice was concluded also in the name and interest of Yugoslavia who is fully entitled to demand on basis of Art 15 and 33 A of the Armistice that the Allied Authorities, who are supervising the accomplishment of the Armistice, enforce the restitution of the Yugoslav plundered property by the Italian Government.

The non-accomplishment of this claim would - in contradiction to the Armistice - mean the same as giving permission to Italy who was an Axis State and enemy until yesterday, to continue her using the property plundered from Yugoslavia by the Italian Fascist Invaders. This would be the greatest injustice toward Yugoslavia who is an Allied Nation and the main victim of the Italian aggression and whose sacrifices for the victory of the United Nations in the war against Nazi-Fascism were so great.

4. As ships are concerned, the Government of the Federal People's Republic of Yugoslavia has the full right to claim from the Italian Government not only their restitution but also the salvage and repair of the sunken ships, because the Italian Authorities who had taken Yugoslav ships and used them for their purposes during the war time are responsible for the sinking of these ships. Besides that, the restitution of sunken ships, to which we are entitled anyhow, cannot be performed without previous salvage and repair. The Italian Government is also obliged by Art. 15 of the Armistice to repair at their expense all ships claimed whether they be floating or sunk, because Art. 15 of the Armistice states explicitly that "United Nations merchant ships, fishing and other craft in Italian hands wherever they may be ..."

5. I enclose to this statement, as a part of the same, a copy of my letter of 5 June 1946 written to the Chief Commissioner A.C.

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The non-accomplishment of this claim would - in contradiction to the Armistice - mean the same as giving permission to Italy who was an Axis State and enemy until yesterday, to continue her using the property plundered from Yugoslavia by the Italian Fascist Invaders. This would be the greatest injustice toward Yugoslavia who is an Allied Nation and the main victim of the Italian aggression and whose sacrifices for the victory of the United Nations in the war against Nazi-Fascism were so great.

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5. I enclose to this statement, as a part of the same, a copy of my letter of 5 June 1946 written to the Chief Commissioner A.C. Rear Admiral E.W. Stone, where all objects, whose restitution we requested up to day, are quoted with the most important details and reference numbers. In this letter is clearly shown too which ships of ours are still used by Italy at present in spite of the fact that Italy was bound to reconstitute them according to Art. 15 of the Armistice.

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I suggest that the Council ask SACRED for a report on the facts of every case presented therein.

Since the Yugoslav Delegation has clearly requested the restitutions from the Italian Government through the Allied Commission and the Italian Government did not reconstitute the objects taken away, it is obvious that the Italian Government did not comply with the Armistice Terms toward Yugoslavia.

6. In order to clarify the points of view of the Allied Authorities in connection with the question of restitutions, I take the liberty to quote here the Communiqué of the Italian Ministero dell'Industria of 22 May 1946 as it was published by the News agency ANSA:

"PER IL RICUPERO DEGLI IMPIANTI INDUSTRIALI ASPORTATI.
Roma, 22 - Il Ministero dell'Industria comunica: "Da tempo il Governo italiano si è vivamente interessato presso le autorità alleate per ottenere il ricupero degli impianti e macchinari industriali asportati dai tedeschi e trasferiti oltre frontiera dal settembre 1943. L'interessamento del Governo ha già ottenuto notevoli risultati data comprensione dimostrata dal Governo degli Stati Uniti che, in attesa di accordi con le altre potenze occupanti la Germania e l'Austria, ha già dato istruzioni di predisporre un programma di restituzione dei beni industriali ed ha invitato il nostro Governo a sottoporgli le liste relative al fine di individuare il materiale stesso. Vi è motivo di sperare che analoghe disposizioni potranno essere adottate dal Governo inglese. Tenuto presente quanto sopra, il Ministero dell'Industria ha deciso di raccogliere tutti i dati opportuni. Le ditte interessate sono pregate quindi di ritirare con la massima urgenza presso le Unioni Industriali, i moduli predisposti e ritornarli compilati o al predetto Ministero e all'Ufficio Recupero Impianti Asportati in Germania (U.R.I.A.G.) appositamente costituito in Roma via Gaeta 3"

If the assertions of this Communiqué are correct and if the Allies are taking steps to reconstitute to Italy the property taken away by the Germans notwithstanding that Italy has not the right to demand it on basis of any Agreement, then the statement of Maj. Gen. MacLeod that "the United Nations have given no direction to the Italian Government relevant to the matter under discussion", i.e. restitution by the Italian Government of property claimed by Yugoslavia, appears astonishing. I cannot believe that the Allies might refuse their assistance as regards restitutions to their Ally Yugoslavia who is entitled by the Armistice to her claims, if at the same time and in the identical question they are ready to support Italy, their enemy up to yesterday, and who has no juridical basis for her claims.

Therefore, if the Allied Military Authorities did not take any steps as yet in order to enforce the restitution by Italy of the Yugoslav plundered property, I must presume that the reason for it was the mistake and lack of information of the subaltern organs. The correctness of this my conclusion appears to be confirmed also in the

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If the assertions of this Communique are correct and if the Allies are taking steps to retribute to Italy the property taken away by the Germans notwithstanding that Italy has not the right to demand it on basis of any Agreement, then the statement of Maj. Gen. MacLeod that "the United Nations have given no direction to the Italian Government relevant to the matter under discussion", i.e. restitution by the Italian Government of property claimed by Yugoslavia, appears astonishing. I cannot believe that the Allies might refuse their assistance as regards restitutions to their Ally Yugoslavia who is entitled by the Armistice to her claims, if at the same time and in the identical question they are ready to support Italy, their enemy up to yesterday, and who has no juridical basis for her claims.

Therefore, if the Allied Military Authorities did not take any steps as yet in order to enforce the restitution by Italy of the Yugoslav plundered property, I must presume that the reason for it was the mistake and lack of information of the subaltern organs. The correctness of this my conclusion appears to be confirmed also in the statement of Maj. Gen. MacLeod that "ships within the terms of the Liberated Ships Agreements should be returned. The Allied Commission will be asked to report upon the position with regard to the ships mentioned".

7. Since the Italian Government has no right to use any longer the property plundered in Yugoslavia by the Italian Fascist Invaders, and

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and since Yugoslavia is entitled to obtain the restitution of her property on basis of the Armistice - I, on behalf of the Yugoslav Government and most energetically

- (A) protest again against the non-accomplishment of the Terms of the Armistice by the Italian Government toward Yugoslavia since they did not reconstitute the property plundered from Yugoslavia;
- (B) propose that the Advisory Council for Italy may recommend to the Supreme Allied Commander to take necessary steps in order to bid the Italian Government to reconstitute all property claimed by the Federal People's Republic of Yugoslavia and specially the Yugoslav sunken ships, which should be salvaged and repaired immediately and on expenses of the Italian Government.

8. As the ships and other plundered property are urgently needed for the reconstruction of our Country destroyed by Fascists I request that the next meeting be held in 14 days in case that a favorable solution of the subject cannot be obtained during the present meeting.

Pov. br. 608/46

5 June 1946

Dear Admiral,

Enclosed find please the lists of vessels and other property plundered in Yugoslavia by the Italian Fascist Occupants, the restitution of which had already been requested through the Allied Commission. The enclosed lists contain short descriptions of objects and the most important details as well as the references of our requests and the replies of the Allied Commission where available.

Some ships, requested by us at earlier dates, but whose location at the present time is rather queery, are not contained in the submitted list. We nevertheless retain our right to solicit their restitution again later on.

Furthermore I would like to emphasize that only a part of vessels and a very restricted number of other plundered property has been requested by us as yet, and we shall continue to submit our further applications as soon as we shall receive them from the Yugoslav Government.

I am applying to you on behalf of the Government of the Federal People's Republic of Yugoslavia that instructions may be issued to the officials of the Allied Commission in order that necessary steps be taken for enforcing the compliance of the requests for restitutions contained in our lists, considering that Yugoslavia is entitled to it according to the Armistice Terms.

Believe me, dear Admiral,

of the Armistice by the Italian Government toward Yugoslavia since they did not reconstitute the property plundered from Yugoslavia;

- (B) propose that the Advisory Council for Italy may recommend to the Supreme Allied Commander to take necessary steps in order to bid the Italian Government to reconstitute all property claimed by the Federal People's Republic of Yugoslavia and specially the Yugoslav sunken ships, which should be salvaged and repaired immediately and on expenses of the Italian Government.
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I am applying to you on behalf of the Government of the Federal People's Republic of Yugoslavia that instructions may be issued to the officials of the Allied Commission in order that necessary steps be taken for enforcing the compliance of the requests for restitutions contained in our lists, considering that Yugoslavia is entitled to it according to the Armistice Terms.

Believe me, dear Admiral,

Very truly yours

Encl.

Rear Admiral Ellery W. Stone,
Chief Commissioner
Allied Commission

(Signed) Dr. Sloven J. Smolaka
Acting Representative of Yugoslavia
Advisory Council for Italy

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LIST OF JUGOSLAV VESSELS, TAKEN BY ITALIANS, WHOSE RESTITUTION WAS REQUESTED THROUGH ALLIED COMMISSION

A) SUNKEN SHIPS

1. S/S JURAJ SUBIC, Gross Tonnage 105,37; Nett 52,57, Registered at the Port of Split. Name was changed by the Italians in SALE. Sunk in Civitavecchia. Requested through A.C. Ref. Br.224/46 of 16 Feb. 46, and 766/46 of 4 June 1946.
2. S/S JUGOSLAVIJA, Gross Tonnage 1275, owner "Jadranska Plovidba d." Susak; sunk at Leghorn. Requested through A.C.: Ref.Br.1554 of 13 Nov. 1945; Br.225/46 of 16 February 1946; Br.412/46 of 4 April 1946. Replies of A.C. N.S.C.: Ref.NSC/4875 of 9 April 1946; NSC/4901 of 12 April 1946 (both dealing with the delay of measures for blowing up the vessel) and NSC/4874 of 9 April 1946 (negative reply regarding the salvage and repair of the ship).
3. Yacht TIHA, Gross Tonnage 466; owner "Jugoslavenski Lloyd", sunk in Leghorn. Requested through A.C.: Ref. Br.225/46 of 16 Feb. 1946, Br. 1554 of 13 Nov. 1945; Br. 412/46 of 4 April 1946. Replies of A.C. N.S.C. (same as for JUGOSLAVIJA)
4. S/S SOCA, Gross Tonnage 545; owner "Jadranska Plovidbad.d. Susak", sunk in Venice (La Marittima). Requested through A.C.:Ref. Br. 1554 of 13 Nov. 1945 and 225/46 of 16 February 1946 and Br. 765/46 of 4 June 1946. Reply of A.C. N.S.C.: NSC/4874 of 9 April 1946 (negative).
5. S/S SARAJEVO, Gross Tonnage 479; owner "Jadranska Plovidbad.d. Susak"; sunk near Messina, on 14.8.43. Requested through A.C.:Ref. Br.1554 of 13 Nov. 1945, Br. 225/46 of 16 February 1946 and 765/46 of 4 June 1946. Reply of A.C.: Same as No4.
6. S/S TOPOLA, Gross Tonnage 254; owner "Jadranska Plovidba d.d. Susak"; sunk near Messina on 14.8.43. Requested through A.C.:Ref. same as No 4 and 5. Reply of A.C.: Same as No 4 and 5.
7. S/S DUBROVNIK, Gross Tonnage 1036, owner "Dubrovacka Plovidba d.d. Dubrovnik"; sunk at Chioggia near Venice on 11.9.43. Requested: Same as No 4-6. Reply of A.C.: Same as No4-6.
8. S/S DRAVA (GIOVANNI INCRAO), Gross Tonnage 198. Sunk at Pianosa (Porto-ferraio) on 30 January 1944. Requested through A.C. N.S.C.:Ref. 768/46 of 4 June 1946.

1. S/S SARAJEVO SUBIC, Gross Tonnage 105,37; Nett 52,57, Registered at the Port of Split. Name was changed by the Italians in SAIE. Sunk in Civitavecchia. Requested through A.C. Ref. Br.224/46 of 16 Feb. 46, and 766/46 of 4 June 1946.
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4. S/S SOGA, Gross Tonnage 545; owner "Jadranska Plovidbad.d. Susak", sunk in Venice (La Marittima). Requested through A.C.:Ref. Br. 1554 of 13 Nov. 1945 and 225/46 of 16 February 1946 and Br. 765/46 of 4 June 1946. Reply of A.C. N.S.C.: NSC/4874 of 9 April 1946 (negative).
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8. S/S DRAVA (GIOVANNI INCRAO), Gross Tonnage 198. Sunk at Pianosa (Porto-ferraio) on 30 January 1944. Requested through A.C. N.S.C.:Ref. 768/46 of 4 June 1946.
9. S/S UNA, Gross Tonnage 198; sunk on 11th Oct. 1942 South of Capri. Requested: Same as No 8.
10. Schooner ALDA, Gross Tonnage 88; Sunk at Porto S. Sebastiano after 8th Sept. 1943. Requested: Same as above No 8-9.

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B) OTHER VESSELS

11. S/S UCKA (Monte Maggiore), Gross Tonnage 142; owner "Jadranska Plovidba d.d. Susak"; actually located in the Port of Civitavecchia, damaged, floating. Requested through A.C. N.S.C.: Ref.Br.1551 of 13 Nov. 1945. Reply of A.C.: Ref. NSC/4280 of 18 Dec. 1945 (negative). Requested again on 4 June 1946, ref. Br.769/46.

12. M/S BUDDAIR
Gross Tonnage 8, DW 20 Tons; owner Pazanin Jerko; motor Diesel Deuz 25 HP. The Schooner is actually used by the Italian PUZZONI Ernesto, Rimini, Via Sinistra del Porto, who has declared that he was ready to hand it over as soon as he will receive orders to do so. The name was changed to GALLO. Requested through A.C. N.S.C.:Ref.Br.226/46 of 16 Feb. 1946 and Br. 775/46 of 5 June 1946. No reply received.

13. M/V VILA (NINFA)
Gross Tonnage 40; taken by the Italians on 8 Sept. 1943; owner Franc Antun & Co, Kastel Luksic (Split); Actually the vessel is located in Venice (basis of the Arsenal), whereas its motor MAN 60 HP is used in a private Italian workshop. Requested through A.C. N.S.C.: Ref.Br.590/46 of 4 May 1946 and Br. 627/46 of 14 May 1946. No reply.

14. Trawler Br.2 (ARBE), constructed in Vienna in 1902 by Schimmelbusch. Steam engine 100 HP indicated dimensions 23 x 7 x 3. Taken by the Italians in April 41 from Rab. In May 1945 was in Grado and is still used by the Italian Servizio Escavazioni Porti Marittimi, Sezione Autonoma di Venezia, Ministero dei Lavori Pubblici. Requested through A.C. N.S.C.:Ref.Br.227/46 of 16 Feb. 1946 and Br. 442/46 of 8 April 1946. Reply of A.C.:NSC/4954 of 27 April 1946 (negative as regards the cost of the repair). Requested again on 5 June 1946 Ref. Br.789/46.

15. Trawler Br.4 (JUNO), constructed in 1931 at Treviso. Dimensions 34 x 7,3 x 2,8; steam engine Yarrow; 137,9 m² heating surface. It is supposed that the Italians made the vessel longer for some meters. It was taken by the Italians in June 1943 to Venice. Ing. Somma, Director of the Servizio Autonomo Escavazioni Porti, Venice, confirmed after the end of the war that the trawler was Yugoslav property. Requested through A.C. N.S.C.: Ref.Br.228/46 of 16.2.46; Br. 443/46 of 9.4.46 and 5 June 1946, Br. 789/46. No reply.

16. Tugboat BOJANA (ZARA), Gross Tonnage 42 (nett 10), dimensions 22,7 x 3,9 x 2 m. Steam engine: compound vertical, 10 HP nominal, 2 cylinders; boiler:normal cylindric, one

N.S.C.: Ref.Br.1551 of 13 Nov. 1945. Reply of A.C.: Ref. NSC/4280 of 18 Dec. 1945 (negative). Requested again on 4 June 1946, ref. Br.769/46.

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16. Tugboat BOJANA (ZARA), Gross Tonnage 42 (nett 10), dimensions 22,7 x 3,9 x 2 m. Steam engine: compound vertical, 10 HP nominal, 2 cylinders; boiler:normal cylindric, one stove. The vessel is built in wood. It was taken by the Italians on 28 April 1941 from the Yugoslav island Rab. At present the vessel is used by the Italian Ministero dei Lavori Pubblici, Servizio Escavazioni Porti Marittimi. Requested through A.C. N.S.C.: Ref.Br.444/46 of 9 April 1946 and Br. 789/46 of 5 June 1946. No reply.

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17. Tugboat J.P. 1. Gross Tonnage 17,75, Nett 3,38; owner "Jadranska Plovidba d.d.Susak". Taken by the Italian Ministry of Marine during the Italian Occupation in Yugoslavia. Requested through A.C. N.S.C.:Ref.Br.224/46 of 16 February 1946 and Br. 766/46 of 4 June 1946. No reply.
18. S/S BISTRICA (Teodo), Gross Tonnage 144.88, Nett 78.04, constructed in 1905 by U.M.Martinolic, Losinj Mali. Taken by the Italians on 8 Sept. 1943 at Tivat Yugoslavia. Owner: "Zetska Plovidba a.d.Cetinje". Requested through the Allied Commission N.S.C.:Ref.Br.586/46 of 3 May 1946. No reply.
19. S/S AVALA (PERASTO), Gross Tonnage 163.77, Nett 80.41, constructed in 1902 by Lobnitz & Co Renfrew. Requisitioned by the Italian Ministry of Marine on 24 Nov. 1941. Before the capitulation of Italy it was used as a coaster in Greece by Gastaldi & Co, Genoa. Requested through A.C. N.S.C.: Ref.Br.586/46 of 3 May 1946. No reply.
20. S/S ZERIANJA (ISTO), Gross Tonnage 100.11; Regt.Port Sibenik. Taken by the Italians during the occupation. Requested through A.C. N.S.C.:Ref.Br.224/46 of 16 Feb.1946 and Br.766/46 of 4 June 1946. No reply.
21. M/V USPOMENA (RICORDO) DW 100 Tons; dimensions:19 x 5,85 x 1.80 m. constructed in 1942 in Sibenik;engine:Diesel MAN 100 HP; owner:Travica Dragutin, Port of Regt.Mrljane. The ship was taken by the Italians on 10 Sept. 1943 from Rijeka to Ravenna. Requested through A.C. N.S.C.: Ref.Br.733/46 of 1 June 1946.
22. M/V ISTOK II, Gross Tonnage 65,DW 150,Nett 47;dimensions:19.60 x 5.65 x 2.82 m. Constructed at Palestrini, reconstructed at Trogir in 1920;engine:Linz 36 HP;owner: Blagajic Berislav;Port of Regt.Rogac. The ship was taken by the Italian Army in 1943; captured by the Germans on the way to Ancona, it was used later as a patrol boat around Pola. Requested through A.C. N.S.C.:Ref.Br.733/46 of 1 June 1946.
23. M/V VILA Gross Tonnage 100,DW 180,Nett 70;engine Semi Diesel 50 HP; Owner:Kozulic Dinko. Port of Regt.Ist. The ship was taken by the Italians in 1943 to Venice and according to some informations it is actually in Italian service at Ancona. Requested: Same as No 22.
24. M/V MIRNAR Gross Tonnage 16,5,DW 40,Nett 10;dimensions: 1650 x 3.55 x 1.85 m.; engine Diesel MAN 75 HP; constructed in 1919 at Losinj Mali;owner: Bonacic Proti Ivan;

February 1946 and Br. 766/46 of 4 June 1946. No reply.

18. S/S BISTRICA (Teodo), Gross Tonnage 144.88, Nett 78.04, constructed in 1905 by U.M.Martinolic, Losinj Mali. Taken by the Italians on 8 Sept. 1943 at Tivat Yugoslavia. Owner: "Zetska Plovidba a.d.Cetinje". Requested through the Allied Commission N.S.C.:Ref.Br.586/46 of 3 May 1946. No reply.

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20. S/S ZEMANJA (ISTO), Gross Tonnage 100.11; Regt.Port Sibenik. Taken by the Italians during the occupation. Requested through A.C. N.S.C.:Ref.Br.224/46 of 16 Feb.1946 and Br.766/46 of 4 June 1946. No reply.

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24. M/V MIRAMAR Gross Tonnage 16.5,DW 40,Nett 10;dimensions: 1650 x 3.55 x 1.85 m.; engine Diesel MAN 75 HP; constructed in 1919 at Losinj Mali;owner: Bonacic Proti Ivan; Port of Regt.Milna. The ship was taken by Italian soldiers on 11 Sept.1943 from Split to Porto Gabice[686 a Mare near Fano. Requested: Same as No 22,23.

25. M/V MARJAN Gross Tonnage 65.02,DW 120,Nett 36.43;dimensions: 23.25 x 5.60 x 2.34; constructed in 1939;engine: Diesel MAN 100 HP; owner:Vela Ivan;Port of Regt. Podgora. The ship was taken by the Germans from Split on 20 Oct.1944 and employed later by them between Ancona and Trieste. Requested: Same as No 22 - 24.

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26. Custom Patrol Boats MB 52 and MB 58, engine 6 cylinders; make Gurtner. Taken by the Italian Occupant Authorities in Yugoslavia. At present the ships are anchored at Bari, Porto Vecchio, one has got the crew on it, the other one is empty. The sailors confirmed that the ships were "navi slave". They are used by the Regia Guardia di Finanza. Requested through A.C. N.S.C.: Ref.Br.767/46 of 4 June 1946.

27. Yugoslav custom ships taken by the Italian Occupant Authorities from Yugoslavia during the war:
(a) M/B MILOŠ OBILIĆ, KRALJEVIĆ MARKO, SENJANIN IVO, JUG BOGDAN, VUK MANDUSIĆ, NEZNANI JUNAK;
(b) 10 Motor Boats: A, B, C, D, E, F, G, H, K, L.
(c) 15 Motor Boats: 2, 4, 7, 9, 11, 12, 13, 14, 15, 16, 17, 19, 23;
(d) Motor Boats MC 21, MC 22, MC 24, ZMAJ;
(e) 51 Patrol Boats: P.C.1 - 26, 28 - 51, 55 - 57.
(f) 16 Coastal Boats: O.C. 1-8, 10-13, 18, 19, 23, 27.
(g) 2 Diesel-flinder spare engines and a lot of spare parts and various materials from the Custom Warehouse in Split. Requested: Br.767/46 of 4 June 1946.

JUGOSLAV PROPERTY PLUNDERED BY ITALIANS, WHOSE RESTITUTION WAS REQUESTED
THROUGH ALLIED COMMISSION

1. 9 Machines taken from the Tobacco Factory in Ljubljana, 6 of which were transferred to Bologna in 1941 and 3 to Perugia in 1943. Restitution requested through A.C.: Ref. Pov.br.1132/45 of 18 August 1945. Reply: Ref AC/5622/IND of 8 Feb. 1946 (negative) Requested again our Ref.Br.776/46 of 5 June 1946.
2. Machines and tools for the building industry taken from Slovenia by the Italian firm S.A.I.S.T., Ing. Trifiletti, Milan in April 1942 (3 Stone Mills, 2 Compressors "Ingersoll-Rand" for two hammers, 2 Road Rollers, type "KAMBLE" of 9 tons, 2 trucks 5 tons, different tools). Requested through A.C.: Ref.Br.1519 of 5 Nov. 1945. and Br.778/46 of 5 June 1946. No reply.
3. 13 Mail Waggon of the Yugoslav Railway. Requested through A.C.: Ref. Pov.br.608/45 of 15 May 1945. Reply Ref. 333/6/TN 4 (Economic Section A.C.) - Negative. Requested again: Ref.Br.779/46 of 5 June 1946.
4. Engines and materials of the factory ROMSA (Raffinerie Olii Minerali S.A.) from Rijeka (Fiume); Engines type Edeleanu transferred to Moggio Udinese by orders of the German Authorities. Parts of new Pipesille, sent by Breda, in Venice. Requested through A.C.: Ref.Br.1263 of 4 Sept. 1945, br.1414 of 14 Oct. 1945, br. 1510 of 4 Nov. 1945 and 780/46 of 5 June 1946. No reply.
5. Property plundered by the Italian Brigadiere of the Carabinieri Albanesi Lorenzo (living actually in Rome via Piazzale 492 on 1st

were "NAVI slave". They are used by the Regia Guardia di Finanza. Requested through A.C. N.S.C.: Ref.Br.767/46 of 4 June 1946.

27. Yugoslav custom ships taken by the Italian Occupant Authorities from Yugoslavia during the war:

- (a) M/B MILOŠ OBILIĆ, KRALJEVIĆ MARKO, SENJANIN IVO, JUG BOGDAN, VUK MANDUSIĆ, NEZNANI JUNAK;
(b) 10 Motor Boats: A, B, C, D, E, F, G, H, K, L.
(c) 15 Motor Boats: 2, 4, 7, 9, 11, 12, 13, 14, 15, 16, 17, 19, 23;
(d) Motor Boats MC 21, MC 22, MC 24, ZMAJ;
(e) 51 Patrol Boats: P.C.1 - 26, 28 - 51, 55 - 57.
(f) 16 Coastal Boats: O.C. 1-8, 10-13, 18, 19, 23, 27.
(g) 2 Diesel-flinder spare engines and a lot of spare parts and various materials from the Custom Warehouse in Split. Requested: Br.767/46 of 4 June 1946.

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5. Property plundered by the Italian Brigadiere of the Carabinieri Albanesi Lorenzo (living actually in Rome, via Pietralata 487 or at San Martino di Lisciano, prov. Ascoli Piceno) at Izverje (Ljubljana); 1 radio set, 1 harmonium, Porcelain service, 3 gold watches, 1 ring, 1 cigarette box and other silver objects. Owner: R. Fajdiga. Requested through A.C.: Ref. Br. 1578 of 5 Nov. 1945 and Br.781/46 of 5 June 1946. No reply.

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6. The Yugoslav Insurance CO "Jugoslavija", insurance contracts, belonging to the Branches of the CO in Ljubljana & Split, transferred to the Italian "Istituto Nazionale delle Assicurazioni". Requested through A.C.:Ref.782/46 of 5 June 1946.
7. Stamps and Postcards in value of 12 millions Yugoslav pre-war Dinars, sequestered from the Direction of the Postal Administration in Ljubljana and transferred to Rome General Postal Direction. Requested through the A.C.:Ref.Br.783/46 of 5 June 1946.
8. Material for the construction of the Railway Crnacelj-Vrbovsko in total value of 18 millions Yugoslav pre-war Dinars, transferred in various parts of Italy. Requested through A.C.:Ref.Br.784/46.
9. Yugoslav Bank "Drzavna Hipotekarna Banka" - bonds and other valuable papers sequestered from the Branches of the bank in Zagreb, Banjaluka, Cetinje and Split in total amount of 135,376.494.10 Yugoslav pre-war Dinars, transferred to the Banca d'Italia. Requested through A.C.:Ref.Br.785/46 of 5 June 1946.
10. Machine "Grosswucht", property of the dockyard in Split, transferred to Messina in December 1942.
Requested through A.C.:Ref.Br.772/46 of 4 June 1946.
11. Archives of the District Court in Kotor (period 1326-1798). Taken by Prof. G.Cencetti, inspector of the Archives in Rome; transferred to Venice on 8 Sept.1943.
Requested through A.C.:Ref.Br.623/46 of 13 May 1946.
12. Archives of Sibenik,Trogir,Korcula,Sv.Jakob convent in Dubrovnik, Benedictinian Convent on Lokrum,Zadar,Lastovo (included the Statute of Lastovo in parchment) and Rijeka, transferred in Italy during the Fascist Italian Occupation.
Requested through A.C.:Ref.Br.773/46 of 4 June 1946.
13. Objects plundered from the Gallery of Fine Arts in Split: 3 paintings and 1 plaster, taken in April 1943 by Fulvio Vetraino for the Exhibition in Rome. 3 paintings taken by the ex-prefect of Split Paolo Zerbino. Requested: Same as No12.
14. 2 paintings taken from the church at Lastovo by Gino Clavari, one of Francesco Bissolo and the other of Girolamo di Santa Croce.
Requested:Same as No 12-13.
15. Lots of collections and objects from the Museum in Zadar.
Requested: Same as No 12-14.
16. Picture of the interior of the Court in Dubrovnik, taken by prof.ing. Luigi Crema for the Exhibition in Rome. Restitution requested through A.C.:Ref.Br.1504 of 2 Nov. 1945 and 773/46 of 4 June 1946. No definite reply.

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8. Material for the construction of the Railway Crnacelj-Vrbovsko in total value of 18 millions Yugoslav pre-war Dinars, transferred from the Direction of the Postal Administration in Ljubljana and transferred to Roma General Postal Direction. Requested through the A.C.:Ref.Br.783/46 of 5 June 1946.
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16. Picture of the interior of the Court in Dubrovnik, taken by prof.ing. Luigi Crema for the Exhibition in Rome. Restitution requested through A.C.:Ref.Br.1504 of 2 Nov. 1945 and 773/46 of 4 June 1946. No definite reply.
17. Ancient column from the Museum in Split. Taken in 1942 for the tomb monument to T.Gulli,O.C. Italian man-of-war "Puglia".
Restitution requested:Ref.773/46 of 4 June 1946.
18. Classical sculpture in marble, representing a head, taken from the Yugoslav State's Museum at Cetinje on 8 June 1943 by capt. Francesco Pitoli and transferred to Rome:Ministero degli Affari Esteri,Ufficio Collegamento con il Governatore del Montenegro (Colonnello Tancredi), Palazzo del Drago, Via 4 Fontane 20. Restitution requested: As No 17.
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19. Lighthouse equipment: 18 Automatic lights with flash light apparatus Pintsch; 21 Crystal glasses; 20 Flash lights Pintsch; Paraffin lights with crystals 3; 1 Paraffin gas light apparatus; 306 Steel bottles for Dissous gas; 10 Binoculars Zeiss; 50 Stop Watches; 30 Manometers; 14 Sun valves; 16 automatic watches. The objects were transferred in Italy to "Zona fari e Segnalamenti Marittimi" at Taranto, Spezia, Lago di Como and Trieste. Restitution requested through A.C.: Ref. Br. 770/46 of 4 June 1946."

Mr. Goshie inquired whether any of the Representatives had received instructions regarding the previous statement of the Yugoslav Representative.

M. Balay made the following statement:

"Le Gouvernement français a pris connaissance avec intérêt de la note remise, le 10 mai, au Conseil Consultatif par la Délégation yougoslave, au sujet de "la restitution par le Gouvernement italien des biens yougoslaves pris par les autorités italiennes fascistes, y compris les navires yougoslaves qui auraient dû être renfloués et réparés aux frais du Gouvernement italien".

Comme le Conseil le sait, le Gouvernement français s'est déjà heurté au problème de la restitution des navires qui avaient été coulés dans les eaux italiennes. Cette question avait en effet pour la France une importance considérable puisqu'il s'agissait d'une quarantaine de navires de haute mer et d'une centaine de bateaux de rivière.

La Délégation Française au Conseil Consultatif pour les Affaires Italiennes s'est adressée aux autorités alliées en invoquant, elle aussi, l'article 15 de la Commission d'armistice. Il lui a été répondu, comme à la Délégation yougoslave, que l'article 15 ne s'appliquait qu'aux navires à flot et qu'il appartenait au Gouvernement français de discuter directement la question avec le Gouvernement italien. Bien qu'à son avis, l'interprétation des autorités alliées fut plus conforme à la lettre qu'à l'esprit de l'article 15, le Gouvernement français décida d'entrer en négociations directes avec le Gouvernement italien, estimant plus utile à son économie d'obtenir immédiatement, au titre de la récupération, un certain tonnage, fût-il inférieur à ses droits, plutôt que de reporter à une date éloignée un règlement total au titre des réparations.

L'accord du 1er juin dernier est le résultat de ces négociations. Le Gouvernement français obtient du Gouvernement italien le renflouement et la remise en état, à très bref délai, de dix navires de haute mer et de toutes les péniches qu'il estimera opportun de remettre en état. En échange de quoi, il cède au Gouvernement italien la propriété d'une trentaine d'épaves et quelques fournitures de produits utiles à l'économie italienne.

La Délégation française n'a pas cessé de tenir la Commission Alliée au courant de ces négociations et elle en a reçu un appui efficace.

The objects were transferred in Italy to "Zona fari e Segnalamenti Marittimi" at Taranto, Spezia, Lago di Como and Trieste. Restitution requested through A.C.:Ref.Br.770/46 of 4 June 1946."

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La Délégation française n'a pas cessé de tenir la Commission Alliée au courant de ces négociations et elle en a reçu un appui efficace.

En vertu des précédents, j'estime qu'en ce qui concerne les navires yougoslaves, retrouvés coulés dans les eaux italiennes :- 1683

1°.-la question doit être traitée, quant au fond, entre les deux Gouvernements intéressés;

2°.- qu'en ce qui concerne la procédure, la Commission Alliée a qualité pour prêter ses bons offices et appuyer la requête yougoslave

auprès

auprès du Gouvernement italien, et que le Conseil Consultatif est donc fondé à prier la Commission alliée de renouveler ses démarches en vue de donner satisfaction aux revendications du Gouvernement Yougoslave."

Mr. Exintaris stated that although he was without instructions he shared the views expressed by Mr. Bailey. As regards the restitution of ships, he referred to the armistice terms and said that these, in fact, do not mention "salvage" in connection with repairs. He was of the opinion, however, that one must not give too narrow a sense to the word "repair". There are, for example, submerged ships whose repairs would perhaps be easier and less expensive than of those which are still afloat. He also stated that he thought that each case should be examined separately. The Yugoslav request was justified in principle. As to the suggestion of the French Delegate, it was not easy to follow the example of the French Delegation as both the Yugoslav and the Greek Delegation had no direct relations with the Italian Government.

Mr. Halford stated that the British Government agreed, in general, with the view expressed by General MacLeod in his letter to Sir Noel Charles of May 22nd, namely, that the ideas of the Allies in regard to Italy had developed since the conclusion of the Armistice and the Allies had come to draw a distinction between current occupation expenses which could properly be charged to the Italian Government under the Armistice and restitution which was regarded as a matter belonging peculiarly to the Peace Treaty. The British Government believed that the Yugoslav Government would be well advised to take up the question of Yugoslav ships in Italian waters direct with the Italian Government. The success of the recent negotiations between the Italian and French Governments on a similar question gave reason to hope that the Yugoslav Government might also find satisfaction in the same way.

Colonel Savko stated that the claim of the Yugoslav Delegation for the restitution of their property taken by Italian Fascist Authorities was just and he had been authorized by his Government to express full support to it.

The Chairman made the following statement:

"I have been authorized by my Government to express general concurrence with the position of AFHQ indicated in Major General MacLeod's letter of May 22, 1946 addressed to Sir Noel Charles, in his capacity as Chairman in turn of rotation of the Advisory Council for Italy. With reference to this letter, my Government wishes to point out that provision for the restitution from Italy of looted United Nations property located in Italy is made in Article IX of the revised Armistice with Italy. The United States Government believes that an interim program of restitution by Italy should be implemented immediately at the time the new Armistice becomes effective, especially in view of the possibility that considerable time may elapse before an Italian peace treaty comes into force. In this connection, it is noted that the U.S. Government is now considering arrangements, which might be proposed, to implement

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Mr. Halford expressed concurrence with the statement made by the United States Acting Representative.

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M. Balay, with reference to the Yugoslav statement that certain ships and machinery looted in Yugoslavia were now being utilized by the Italians, remarked that this was indeed improper and that pending a settlement of this question AFHQ could be asked to make further factual investigations of the Yugoslav claims.

Brigadier Lush said that in the Yugoslav letter of June 5, 1946 addressed to Admiral Stone on this subject, many new points were raised and that Yugoslav claims mentioned in this letter had been communicated to the Italian Government and that appropriate instructions had been requested.

Dr. Smolaka remarked that "he remained by all his assertions and proposals contained in his both statements of May 10th, and today and"he said, "he felt it was necessary for SACMED to give instructions to the Allied Commission to enforce compliance with the Yugoslav request." Dr. Smolaka suggested besides "that the Council ask SACMED for an investigation of the facts of every case as presented in his letter of June 5, 1946 to Admiral Stone".

The Chairman suggested that pending receipt by all Representatives of further instructions regarding the new Yugoslav statement, the Council could forward a letter to SACMED, asking for an investigation of the facts as presented in the letter of June 5, 1946 from the Yugoslav Delegation to Admiral Stone. He ascertained that all the Representatives on the Council agreed with this proposal.

4. Miscellaneous

The Council had no miscellaneous business to discuss.

5. Press Communique

The Council agreed to release the following press communique:

"The 53rd meeting of the Advisory Council for Italy was held in Rome on June 7, 1946, under the chairmanship of the United States Acting Representative, Mr. John L. Goshie. Other members of the Council present were:

- | | |
|-----------------------|----------------|
| M. Georges Balay | France |
| M. George Exintaris | Greece |
| Colonel V. Savko | Soviet Union |
| Mr. Aubrey S. Halford | United Kingdom |
| Dr. Sloven Smolaka | Yugoslavia |

A report on current political developments in Italy, by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, was presented to the Council by Brigadier Maurice S. Lush, Executive Officer.

Brigadier Lush said that in the Yugoslav letter of June 5, 1946 addressed to Admiral Stone on this subject, many new points were raised and that Yugoslav claims mentioned in this letter had been communicated to the Italian Government and that appropriate instructions had been requested.

Dr. Smodlaka remarked that "he remained by all his assertions and proposals contained in his both statements of May 10th, and today and he said, "he felt it was necessary for SACMED to give instructions to the Allied Commission to enforce compliance with the Yugoslav request." Dr. Smodlaka suggested besides "that the Council ask SACMED for an investigation of the facts of every case as presented in his letter of June 5, 1946 to Admiral Stone".

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M. Georges Balay France

M. George Exintaris Greece

Colonel V. Savko Soviet Union

Mr. Aubrey S. Halford United Kingdom

Dr. Sloven Smodlaka Yugoslavia

A report on current political developments in Italy, by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, was presented to the Council by Brigadier Maurice S. Lush, Executive Commissioner of the Allied Commission".

DATE OF NEXT MEETING

With reference to the request of Dr. Smodlaka that the Council convene within a fortnight, the Chairman suggested adherence to the Council's agreement to hold regular meetings every fourth week, subject to understanding that meetings may be called earlier provided the Council had some urgent business to discuss.

Dr.

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Dr. Smodlaka said that on instructions from his Government he was obliged to insist on a meeting of the Council within a fortnight.

Colonel Savko supported Dr. Smodlaka's request.

M. Exintaris remarked that the time for the completion of the investigations seemed too short to him and he believed that the Chairman's proposal was more practical.

The Chairman suggested that the next meeting be scheduled for July 5, subject to understanding that if all Representatives had received instructions by June 21, the next meeting be held on June 21. He further suggested that as soon as any of the Representatives received instructions regarding the Yugoslav statement the Secretariat be informed.

The Council accepted the Chairman's suggestion.

3 Annexes:

- 1) Letter to SACRED dated June 5, 1946;
- 2) Letter to SACRED dated May 15, 1946.
- 3) Letter from Major General M.W.M. MacLeod,
dated May 22, 1946.

M. Exintaris remarked that the time for the completion of the investigations seemed too short to him and he believed that the Chairman's proposal was more practical.

The Chairman suggested that the next meeting be scheduled for July 5, subject to understanding that if all Representatives had received instructions by June 21, the next meeting be held on June 21. He further suggested that as soon as any of the Representatives received instructions regarding the Yugoslav statement the Secretariat be informed.

The Council accepted the Chairman's suggestion.

3 Annexes:

- 1) Letter to SACMED dated June 5, 1946;
- 2) Letter to SACMED dated May 15, 1946.
- 3) Letter from Major General M.W.M. MacLeod,
dated May 22, 1946.

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ANNEX #1

TO MINUTES OF 53rd MEETING OF ADVISORY COUNCIL FOR ITALY

Rome,

5th June, 1946.

My dear General,

I have the honour to enclose, for your information, copies of the minutes of meetings of the Advisory Council for Italy, during which the Council discussed statements presented by the Soviet Union and Yugoslav Representatives regarding the CGS directive ordering a discontinuance of AFA lire advances to the Advisory Council for Italy and requesting reimbursement for such past advances.

Yours very sincerely

(signed) Noel Charles
Chairman in turn of rotation
Advisory Council for Italy

6 enclosures:

Minutes of 47th, 48th, 49th, 50th,
51st and 52nd Meetings of ACI

Rome,

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51st and 52nd Meetings of ACI

Lieutenant General
Sir W. MORGAN, K.C.B., D.S.O., M.C.,
SUPREME ALLIED COMMANDER,
Allied Force Headquarters,
Caserta.

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ANNEX #2

TO MINUTES OF 53rd MEETING OF ADVISORY COUNCIL FOR ITALY

Rome,

15th May, 1946.

My dear General

I have the honour to enclose, for your information, a copy of a statement presented by the Yugoslav Representative at the May 10th, 1946, meeting of the Advisory Council for Italy and with reference to this statement to solicit on behalf of the Council a report on the facts of the case presented therein.

With further reference to this statement, the Advisory Council would be grateful if you would take appropriate measures pending the investigation of this matter, to prevent the destruction by the Italian authorities of the Yugoslav sunken ships resting in or about the port of Leghorn, since such destruction, according to the second paragraph of item 6 of the enclosed Yugoslav statement, is imminent.

Yours very sincerely

(signed) Noel Charles
Chairman in turn of rotation
Advisory Council for Italy

Lieutenant General

Sir W. MORGAN, K.C.B., D.S.O., M.C.,
SUPREME ALLIED COMMANDER,
Allied Force Headquarters,
Caserta.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

Rome,

15th May, 1946.

My dear General

I have the honour to enclose, for your information, a copy of a statement presented by the Yugoslav Representative at the May 10th, 1946, meeting of the Advisory Council for Italy and with reference to this statement to solicit on behalf of the Council a report on the facts of the case presented therein.

With further reference to this statement, the Advisory Council would be grateful if you would take appropriate measures pending the investigation of this matter, to prevent the destruction by the Italian authorities of the Yugoslav sunken ships resting in or about the port of Leghorn, since such destruction, according to the second paragraph of item 6 of the enclosed Yugoslav statement, is imminent.

Yours very sincerely

(signed) Noel Charles
Chairman in turn of rotation
Advisory Council for Italy

Lieutenant General

Sir W. MORGAN, K.C.B., D.S.O., M.C.,
SUPREME ALLIED COMMANDER,
Allied Force Headquarters,
Caserta.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

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ANNEX #3

TO MINUTES OF 53rd MEETING OF ADVISORY COUNCIL FOR ITALY

From: Major General M.W.M. MACLEOD

ALLIED FORCE HEADQUARTERS
Office of the Chief of Staff

22nd May, 1946

My dear Sir Noel Charles

I have the honour to acknowledge receipt of your letter of the 15th May, 1946 to General Morgan and in his absence send you as requested a report on the statement presented by the Yugoslav Representative on the Advisory Council. I am afraid I am quite unable to agree with the Yugoslav views as to the interpretation to be placed on the Armistice Terms.

You will I hope realise that as the papers did not reach my working staff until the 20th May, 1946 it has not been possible to make as detailed an investigation into the matter as I would have liked. Further it has not been possible to contact C-in-C Med who is vitally interested. However, in order that you may have something on which to base your discussion, the attached notes have been hastily prepared. If, after your meeting, you feel that any useful purpose will be served by further briefing, I will have the matter investigated further and more fully.

Yours Sincerely

(signed) M.W.M. MacLeod

His Excellency, Sir Noel Charles, Bt., KCMG, KC,
Chairman Advisory Council,
c/o Allied Commission,
ROME.

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His Excellency, Sir Noel Charles, Bt., KCMG, KC,
Chairman Advisory Council,
c/o Allied Commission,
ROME.

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COMMENTS ON THE STATEMENT PRESENTED BY THE JUGOSLAV DELEGATION

Relevant Para
of Statement.

1. There seems to be confusion of thought as to the functions of Armistice Terms as compared with those of a Peace Treaty. The Armistice Terms were an interim measure concerned with matters of immediate moment for the furtherance of the war effort. They were not intended to and did not make a settlement of claims between parties. That is a matter for the Peace Treaty.

2. By Art 33 of the Armistice Terms the Italian Government undertook to comply with such directions as the United Nations might prescribe regarding restitution. The United Nations have given no direction relevant to the matter under discussion. There has, therefore, been no failure by the Italian Government to comply with any such direction.

3. From its wording it is obvious that Art 15 is intended to apply to useable ships and not to wrecks. It provided for the immediate collection and handing over of ships in Italian hands at the time of the Armistice.

4. There is a well known distinction in marine law between salvage and repair. The raising of a sunken vessel and its towage to a dock are not repairs. The Jugoslav memorandum introduces the word "salve" which is not mentioned in Art 15 and quite wrongly refers to that Article as an undertaking "to salve and repair" ships. Art 15 contains only an undertaking to repair ships so far as may be necessary to enable the earlier part of Art 15 to be carried out.

5. It is not agreed that the Supreme Allied Commander "is obliged to use his authority whenever requested by any of the United Nations to do so." The Supreme Allied Commander is not a vehicle for enforcing particular national claims, these should be dealt with through diplomatic channels or in the Peace Treaty.

6. The Armistice Terms do not, in general, deal with questions of restitution. If the Armistice Terms have not been complied with, enquiry will be made if particulars of the alleged default are supplied.

7. Ships within the terms of the Liberated Ships Agreements should be returned. The Allied Commission will be asked to report upon the position with regard to the ships mentioned.

1. There seems to be confusion of thought as to the functions of Armistice Terms as compared with those of a Peace Treaty. The Armistice Terms were an interim measure concerned with matters of immediate moment for the furtherance of the war effort. They were not intended to and did not make a settlement of claims between parties. That is a matter for the Peace Treaty.

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1 & 2.

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2.

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6. The Armistice Terms do not, in general, deal with questions of restitution. If the Armistice Terms have not been complied with, enquiry will be made if particulars of the alleged default are supplied.

4.

7. Ships within the terms of the Liberated Ships Agreements should be returned. The Allied Commission will be asked to report upon the position with regard to the ships mentioned.

5.

8. There is no obligation on the Italian Government to salve ships. The ruling as to these ships, which is appended, is based on a direction issued by the Admiralty as agents for the CCS.

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Relevant Para
of Statement.

6. 9. The right to blow up a vessel obstructing navigation is well known. Yugoslavia cannot expect these ships to be left indefinitely as an obstruction to navigation. If they are readily salvageable she should take urgent steps to remove them, if she unreasonably fails to do so she cannot complain if the obstruction is removed.
- Meanwhile action has been stayed.
7. 10. The action of the Allied Commission appears to have been perfectly correct.
11. The right of the Advisory Council to advise the Supreme Allied Commander on the enforcing of the terms of surrender is not questioned but there is no evidence that there has been any failure of the Italian Government to carry out its obligations thereunder.
- 8 a. 12. The Armistice Terms contain no provision for the restoration of plundered property.
- 8 b. 13. It is not for this Headquarters to advise on the propriety of passing the proposed resolution.

(*) Appendix A

9. The right to blow up a vessel obstructing navigation is well known. Yugoslavia cannot expect these ships to be left indefinitely as an obstruction to navigation. If they are readily salvable she should take urgent steps to remove them, if she unreasonably fails to do so she cannot complain if the obstruction is removed.

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12. The Armistice Terms contain no provision for the restoration of plundered property.

13. It is not for this Headquarters to advise on the propriety of passing the proposed resolution.

(*) Appendix A

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Appendix A.

SECRET
COPY

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

G-5: 912.23

21 May 1946

SUBJECT: Salvage of Yugoslav Ships.

TO : Headquarters, Allied Commission,
APO 794.

Reference your NSC/4000 of 17 November 1945, and NSC/4242 of 17 December 1945, and NSC/4003 of 27 January 1946.

1. Article 15 of the Armistice Terms refers to repairs and not to salvage. The cost of salvage falls into the category of reparations which is not dealt with in the Armistice Terms, but is a matter for the Peace Treaty.

2. It is confirmed that it is the responsibility of the owners of the vessel or of the Government concerned to arrange for salvage.

3. With regard to finance, in a similar case the French Government was advised to obtain, from the Italian Government, lire to meet their expenses by establishing a blocked franc account. A similar course is available to the Yugoslav Government.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

(s) F.G.A. PARSONS Col.
(t) A.L. HAMBLEN
Brigadier General, GSC
Assistant Chief of Staff, G-5.

G-5: 912.23

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(s) F.G.A. PARSONS Col.

(t) A.L. HAMBLIN

Brigadier General, GSC
Assistant Chief of Staff, G-5.

JLG:hp

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